AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS
Tuesday, January 8, 2019
4:00 PM

Modular C Classroom
600 N. Highland Springs Avenue, Banning, CA 92220

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at (951) 769-2160. Notification 48 hours prior to the meeting will enable the Healthcare District to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

TAB

I. Call to Order
   D. Tankersley, Chair

II. Pledge of Allegiance

III. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Healthcare District Board of Directors on any matter under the subject jurisdiction of the Board. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Board Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the Healthcare District Board of Directors, we want you to know that the Board acknowledges the comments or concerns that you direct to this Board. While the Board may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the Hospital CEO, or other Hospital Executive personnel, to do further research and report back to the Board prior to responding to any issues raised. If you have specific questions, you will receive a response either at the meeting or shortly thereafter. The Board wants to ensure that it is fully informed before responding, and so if your questions are not addressed during the meeting, this does not indicate a lack of interest on the Board’s part; a response will be forthcoming.

NOTE: ALL MEMBERS OF THE SAN GORGONIO MEMORIAL HOSPITAL BOARD OF DIRECTORS ARE INVITED PARTICIPANTS AND MAY ADDRESS THE SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT BOARD OF DIRECTORS AT ANY TIME DURING THIS MEETING
San Gorgonio Memorial Healthcare District  
Board of Directors Regular Meeting  
January 8, 2019

IV. Introduction of Security Second in Command J. Hunter

V. Plaque presentation to outgoing Board member Georgia Sobiech D. Tankersley

VI. Swearing-in of incumbent and new Board members B. Duffy

OLD BUSINESS

VII. * Proposed Action - Approve Minutes All
    • December 4, 2018 regular meeting A

NEW BUSINESS

VIII. Healthcare District Board Chair monthly report D. Tankersley verbal

IX. Medical Clinic monthly report H. Yonemoto B

X. * Proposed Action - Approve November 2018 Financial report M. Kammer C
    • ROLL CALL
    • Informational: Measure A funds report – November 2018 D

XI. * Proposed Action – Approve Healthcare District Bylaws D. Tankersley E
    (per Bylaws Section 9, (b))
    • ROLL CALL

XII. * Proposed Action - All Healthcare District Board members annual execution of Confidentiality and Nondisclosure Agreement D. Tankersley F

XIII. 2019 Slate of Officers D. Tankersley G
      (seats will be effective immediately - 2018 Slate of Officers included in packet for reference)
      • * Proposed Action - Nominate/Approve 2019 Healthcare District Board Chair
        • ROLL CALL
      • * Proposed Action – Nominate/Approve 2019 Healthcare District Board Vice Chair
        • ROLL CALL
      • * Proposed Action – Nominate/Approve 2019 Healthcare District Board Secretary
        • ROLL CALL
      • * Proposed Action – Nominate/Approve 2019 Healthcare District Board Treasurer
        • ROLL CALL

XIV. * Proposed Action - Healthcare District Board Chair Appoints Board Chair
      2019 Committee members H
      (copy of 2018 Committee members included as informational)
San Gorgonio Memorial Healthcare District  
Board of Directors Regular Meeting  
January 8, 2019

XV.  * Proposed Action – Appoint Healthcare District’s appointee to Hospital Board Executive Committee *(must be a non-District Director as there are already 2 District Directors on the Committee)*  
   - **ROLL CALL**

XVI.  Informational – Conflict of Interest Code approved by Riverside County Board of Supervisors  
       B. Duffy  I

XVII.  Announcements

XVIII.  General Information  
       J

XIX.  Future Agenda Items

XX.  Adjournment  
       Board Chair

*Action Required*

In accordance with The Brown Act, Section 54957.5, all public records relating to an agenda item on this agenda are available for public inspection at the time the document is distributed to all, or a majority of all, members of the Board. Such records shall be available at the Healthcare District Administration office located at 600 N. Highland Springs Avenue, Banning, CA  92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

I certify that on January 4, 2019 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of San Gorgonio Memorial Healthcare District, and on the San Gorgonio Memorial Hospital website, said time being at least 72 hours in advance of the regular meeting of the Board of Directors *(Government Code Section 54954.2)*.

Executive at Banning, California on January 4, 2019  

[Signature]

Bobbi Duffy, Executive Assistant
The regular meeting of the Board of Directors of the San Gorgonio Memorial Healthcare District was held on Tuesday, December 4, 2018 in the Modular C Classroom, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Bakhtiar Ahmad, MD, Lynn Baldi, Estelle Lewis, Georgia Sobiech, Dennis Tankersley, PA-C (Chair)

Absent: None

Required Hospital Staff: Steve Barron (CEO), Margaret Kammer (Controller), Holly Yonemoto (CBDO), Bobbi Duffy (Executive Assistant)

<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>DISCUSSION</th>
<th>ACTION / FOLLOW-UP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call To Order</td>
<td>Chair Dennis Tankersley called the meeting to order at 4:04 pm.</td>
<td></td>
</tr>
<tr>
<td>Pledge of Allegiance</td>
<td>Chair Tankersley led the Pledge of Allegiance to the Flag.</td>
<td></td>
</tr>
<tr>
<td>Public Comment</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

OLD BUSINESS

Proposed Action - Approve Minutes

November 6, 2018 regular meeting

Chair Tankersley asked for any changes or corrections to the November 6, 2018 regular meeting.

There were none.

The minutes of the November 6, 2018 regular meeting will stand correct as presented.

NEW BUSINESS

Healthcare District Board Chair monthly Update

Chair Tankersley briefly reviewed his monthly report that was included on the board tablet.

He also reported that Estelle Lewis recently attended a Collaborative Committee meeting in Beaumont with multiple agencies. The primary topic was how all the agencies could work together.
<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>DISCUSSION</th>
<th>ACTION / FOLLOW-UP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Clinic monthly report</td>
<td>Holly Yonemoto briefly reviewed her monthly report that was included on the board tablets.</td>
<td></td>
</tr>
<tr>
<td>Proposed Action – Approve October 2018 Financial report</td>
<td>Margaret Kammer, Controller, reviewed the October 2018 Financial report as included on the board tablets.</td>
<td>M.S.C., (Lewis/Ahmad) the SGMHD Board of Directors approved the October 2018 Financial report as presented.</td>
</tr>
<tr>
<td>BOARD MEMBER ROLL CALL:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ahmad</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Lewis</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Baldi</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Sobiech</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Tankersley</td>
<td>Yes</td>
<td>Motion carried.</td>
</tr>
<tr>
<td>• Informational - Measure A expenditures – October 2018</td>
<td>Margaret Kammer reviewed the Measure A expenditures and checks issued during the month of October 2018 as included on the board tablets.</td>
<td></td>
</tr>
<tr>
<td>For review – Healthcare District Bylaws</td>
<td>It was noted that the current Healthcare District Bylaws were include for review. They are scheduled for re-approval at the January 2019 board meeting in compliance with Section 9, (b) of the bylaws.</td>
<td></td>
</tr>
<tr>
<td>Committee Reports:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measure D Community Oversight Committee</td>
<td>Committee Chair Lynn Baldi noted that a copy of the minutes of the November 13, 2018 meeting were included on the board tablets.</td>
<td></td>
</tr>
<tr>
<td>Measure A Community Oversight Committee</td>
<td>Committee Chair Lynn Baldi noted that a copy of the minutes of the November 13, 2018 meeting were included on the board tablets.</td>
<td></td>
</tr>
<tr>
<td>Announcements</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>General Information</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Future Agenda Items</td>
<td>Chair Tankersley noted that there has been recent discussion regarding ideas for the Healthcare District to work with the community. He has spoken with Steve Barron and a new community needs assessment will be developed.</td>
<td></td>
</tr>
</tbody>
</table>
He also stated that the Lease between the Healthcare District and the Hospital will expire in about 18 months. He stated that there is a need for a strategic planning retreat to work with the Hospital board to make certain that both Board’s needs are aligned.

Dennis presented Dr. Ahmad with a plaque of appreciation for his service to the Healthcare District as tonight is his last board meeting. Dr. Ahmad spoke briefly thanking the board.

**Adjournment**

The meeting was adjourned at 4:29 pm.
TAB B
San Gorgonio District Board Report
San Gorgonio Memorial Medical Clinic

January 2019

(1) Staffing
   1. Physician and 4 staff (LVN, Scheduler/Front, 2 Medical Assistants)

(2) Volume
   1. December Volume
   2. Marketing – internet, Record Gazette, Pass Area Veterans Expo
   3. Contracts/insurers – we continue to pursue all contracts to increase patient volume
   4. Referrals – we are continuing to pursue all referral processes to increase patient volume
   5. ED coverage expanded

(3) Patient Satisfaction Surveys – 5.0 on a 5 point scale – exceeds goal

(4) Billing Compliance – Compliant – exceeds goal

(5) LOS less than 2 days – exceeds goal

(6) Hours to OR LT 24 meets - exceeds goal

(7) Implant cost – invoices reviewed – exceeds goal
TAB C
<table>
<thead>
<tr>
<th>FY 2019</th>
<th>ACT CUR 11/30/18</th>
<th>BUD CUR 11/30/18</th>
<th>PRIOR YR 11/30/17</th>
<th>ACT YTD 11/30/18</th>
<th>BUD YTD 11/30/18</th>
<th>Prior YTD 11/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Patient Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient Routine Revenue</td>
<td>1</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Inpatient Ancillary Revenue</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Inpatient Routine Swing Bed Revenue</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>Inpatient Ancillary Swing Bed Revenue</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>Inpatient Psych/Rehab Revenue</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<td>Outpatient Revenue</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Clinic Revenue</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Long Term Care Revenue</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Home Health Revenue</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Total Gross Patient Revenue</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Deductions From Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Discounts and Allowances</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>Bad Debt Expense (Governmental Provi)</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>Prior Year Settlements</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<td>Charity Care</td>
<td>13</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Total Deductions From Revenue</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Net Patient Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>14</td>
<td>$72,710</td>
<td>$70,878</td>
<td>$71,244</td>
<td>$352,256</td>
<td>$312,717</td>
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<tr>
<td>Clinic Revenues</td>
<td>14.6</td>
<td>$18,864</td>
<td>$51,687</td>
<td>$15,475</td>
<td>130,010</td>
<td>258,335</td>
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<td>EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Salaries and Wages</td>
<td>15</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
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<td>Fringe Benefits</td>
<td>16</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Contract Labor</td>
<td>17</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Physicians Fees</td>
<td>18</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Purchased Services</td>
<td>19</td>
<td>$110,767</td>
<td>$37,198</td>
<td>$131,321</td>
<td>227,388</td>
<td>185,990</td>
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<tr>
<td>Supply Expense</td>
<td>20</td>
<td>$103</td>
<td>$42</td>
<td>$211</td>
<td>375</td>
<td>210</td>
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<tr>
<td>Utilities</td>
<td>21</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Repairs and Maintenance</td>
<td>22</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Insurance Expense</td>
<td>23</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>All Other Operating Expenses</td>
<td>24</td>
<td>$49,409</td>
<td>$4,377</td>
<td>$9,558</td>
<td>102,617</td>
<td>21,885</td>
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<tr>
<td>Bad Debt Expense (Non-Governmental)</td>
<td>25</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Leases and Rentals</td>
<td>26</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Depreciation</td>
<td>27</td>
<td>$494,513</td>
<td>$558,333</td>
<td>$567,588</td>
<td>2,545,640</td>
<td>2,791,665</td>
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<tr>
<td>Amortization</td>
<td>28</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest Expense (Non-Governmental Pr)</td>
<td>29</td>
<td>$397,880</td>
<td>$403,224</td>
<td>$417,641</td>
<td>1,997,931</td>
<td>2,016,120</td>
</tr>
<tr>
<td>Clinic Expenses</td>
<td>26.5</td>
<td>$100,026</td>
<td>$66,731</td>
<td>($114,797)</td>
<td>338,801</td>
<td>333,655</td>
</tr>
<tr>
<td>Total EXPENSES</td>
<td></td>
<td>$1,152,703</td>
<td>$1,069,905</td>
<td>$1,011,522</td>
<td>$5,212,752</td>
<td>$5,349,525</td>
</tr>
<tr>
<td>OPERATING GAIN (LOSS)</td>
<td></td>
<td>(1,061,329)</td>
<td>(947,360)</td>
<td>(924,803)</td>
<td>(4,730,486)</td>
<td>(4,778,473)</td>
</tr>
<tr>
<td>Non-Operating Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>30</td>
<td>$0</td>
<td>$16,667</td>
<td>$0</td>
<td>50,524</td>
<td>83,335</td>
</tr>
<tr>
<td>Investment Income</td>
<td>31</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Tax Subsidies Measure D</td>
<td>32</td>
<td>$175,000</td>
<td>$176,055</td>
<td>$168,540</td>
<td>875,000</td>
<td>880,275</td>
</tr>
<tr>
<td>Tax Subsidies for GO Bonds - M-A</td>
<td>34</td>
<td>$585,613</td>
<td>$564,977</td>
<td>$601,335</td>
<td>2,928,063</td>
<td>2,824,885</td>
</tr>
<tr>
<td>Tax Subsidies Addendum</td>
<td>35</td>
<td>$105,000</td>
<td>$105,762</td>
<td>$73,990</td>
<td>525,000</td>
<td>528,810</td>
</tr>
<tr>
<td>Other Non-Operating Revenue - Grants</td>
<td>36</td>
<td>$0</td>
<td>$17,425</td>
<td>$374</td>
<td>0</td>
<td>87,125</td>
</tr>
<tr>
<td>Extraordinary Loss</td>
<td>37</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Non Operating Revenue/(Expense)</td>
<td></td>
<td>865,613</td>
<td>880,886</td>
<td>844,239</td>
<td>4,378,687</td>
<td>4,404,430</td>
</tr>
<tr>
<td>NET INCOME</td>
<td></td>
<td>($195,716)</td>
<td>($66,474)</td>
<td>($80,564)</td>
<td>($351,899)</td>
<td>($374,043)</td>
</tr>
</tbody>
</table>
Balance Sheet - Assets
SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT
BANNING, CALIFORNIA
11/30/18

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Current Month</th>
<th>Prior Month</th>
<th>Positive/ (Negative) Variance</th>
<th>Percentage Variance</th>
<th>Prior Year</th>
<th>09/30/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL CASH (Healthcare System)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,530,701</td>
</tr>
<tr>
<td>Current Assets -DISTRICT ONLY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$2,320,414</td>
<td>$2,489,966</td>
<td>($169,552)</td>
<td>-6.81%</td>
<td></td>
<td>$2,893,211</td>
</tr>
<tr>
<td>Gross Patient Accounts Receivable</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Bad Debt and Allowance Reserve</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Patient Accounts Receivable</td>
<td>$3,911,786</td>
<td>$3,003,966</td>
<td>$907,821</td>
<td>30.22%</td>
<td></td>
<td>$336,606</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Inventories</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$240,923</td>
<td>$240,923</td>
<td></td>
<td>0.00%</td>
<td></td>
<td>$218,461</td>
</tr>
<tr>
<td>Due From Third Party Payers</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Due From Affiliates/Related Organization</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>6,473,124</td>
<td>5,734,855</td>
<td>738,268</td>
<td>12.87%</td>
<td></td>
<td>3,448,277</td>
</tr>
<tr>
<td>Assets Whose Use is Limited</td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Investments</td>
<td>$3,851,282</td>
<td>$3,874,124</td>
<td>($22,842)</td>
<td>-0.59%</td>
<td></td>
<td>$7,506,067</td>
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<tr>
<td>Bond Reserve/Debt Retirement Fund</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
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<td>$0</td>
</tr>
<tr>
<td>Trustee Held Funds</td>
<td>$0</td>
<td>$0</td>
<td></td>
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<td></td>
<td>$0</td>
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<tr>
<td>Funded Depreciation</td>
<td>$0</td>
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<td>0.00%</td>
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<td>$0</td>
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<tr>
<td>Board Designated Funds</td>
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<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td>$0</td>
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<tr>
<td>Other Limited Use Assets</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Total Limited Use Assets</td>
<td>3,851,282</td>
<td>3,874,124</td>
<td>(3,874,124)</td>
<td>-100.00%</td>
<td></td>
<td>7,506,067</td>
</tr>
<tr>
<td>Property, Plant, and Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and Land Improvements</td>
<td>$4,820,671</td>
<td>$4,820,671</td>
<td>$0</td>
<td>0.00%</td>
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</tr>
<tr>
<td>Building and Building Improvements</td>
<td>$129,283,884</td>
<td>$129,283,884</td>
<td>$0</td>
<td>0.00%</td>
<td></td>
<td>$129,283,884</td>
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<tr>
<td>Equipment</td>
<td>$25,362,570</td>
<td>$25,255,067</td>
<td>$107,493</td>
<td>0.43%</td>
<td></td>
<td>$25,129,129</td>
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<tr>
<td>Construction In Progress</td>
<td>$8,390,249</td>
<td>$8,390,249</td>
<td>$0</td>
<td>0.00%</td>
<td></td>
<td>$8,370,897</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Gross Property, Plant, and Equipment</td>
<td>$167,857,373</td>
<td>$167,749,890</td>
<td>$107,493</td>
<td>0.06%</td>
<td></td>
<td>$167,604,581</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>($67,653,161)</td>
<td>($67,158,648)</td>
<td>($494,513)</td>
<td>0.74%</td>
<td></td>
<td>($65,107,521)</td>
</tr>
<tr>
<td>Net Property, Plant, and Equipment</td>
<td>100,204,212</td>
<td>100,591,242</td>
<td>(387,030)</td>
<td>-0.38%</td>
<td></td>
<td>102,497,060</td>
</tr>
<tr>
<td>Other Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unamortized Loan Costs</td>
<td>$10,651,765</td>
<td>$10,589,763</td>
<td>$62,002</td>
<td>0.59%</td>
<td></td>
<td>$10,614,294</td>
</tr>
<tr>
<td>Assets Held for Future Use</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Investments in Subsidiary/Affiliated Org.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Total Other Assets</td>
<td>10,651,765</td>
<td>10,589,763</td>
<td>62,002</td>
<td>0.59%</td>
<td></td>
<td>10,614,294</td>
</tr>
<tr>
<td>TOTAL UNRESTRICTED ASSETS</td>
<td>121,180,383</td>
<td>120,789,984</td>
<td>390,399</td>
<td>0.32%</td>
<td></td>
<td>124,065,698</td>
</tr>
<tr>
<td>Restricted Assets</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>0.00%</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$121,180,383</td>
<td>$120,789,984</td>
<td>$390,399</td>
<td>0.32%</td>
<td></td>
<td>$124,065,698</td>
</tr>
</tbody>
</table>
## Balance Sheet - Liabilities and Net Assets

### San Gorgonio Memorial Healthcare District

<table>
<thead>
<tr>
<th>Category</th>
<th>Cur Month 11/30/2018</th>
<th>Prior Month 10/31/2018</th>
<th>Variance 11/30/2018 - 10/31/2018</th>
<th>Percentage Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$299,566</td>
<td>$108,727</td>
<td>$190,839</td>
<td>175.52%</td>
</tr>
<tr>
<td>Notes and Loans Payable</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Accounts Payable- Construction</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Accrued Payroll Taxes</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Accrued Benefits</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Accrued Pension Expense (Current Portion)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Other Accrued Expenses</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Accrued GO Bond Interest Payable</td>
<td>$1,638,275</td>
<td>$1,227,246</td>
<td>$411,029</td>
<td>33.49%</td>
</tr>
<tr>
<td>Property Tax Payable</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Due to Third Party Payers</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Advances From Third Party Payers</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Current Portion of LTD (Bonds/Mortgages)</td>
<td>$2,365,303</td>
<td>$2,096,000</td>
<td>$270,303</td>
<td>12.90%</td>
</tr>
<tr>
<td>Current Portion of LTD (Leases)</td>
<td>$307,406</td>
<td>$577,709</td>
<td>($270,303)</td>
<td>-46.79%</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>4,610,549</td>
<td>4,008,681</td>
<td>(601,868)</td>
<td>-15.01%</td>
</tr>
<tr>
<td><strong>Long Term Debt</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds/Mortgages Payable</td>
<td>$110,601,513</td>
<td>$110,887,589</td>
<td>($266,055)</td>
<td>-0.26%</td>
</tr>
<tr>
<td>Leases Payable</td>
<td>$0</td>
<td>($270,303)</td>
<td>$270,303</td>
<td>-100.00%</td>
</tr>
<tr>
<td>Current Portion</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total Long Term Debt</strong></td>
<td>110,601,513</td>
<td>110,617,266</td>
<td>(266,055)</td>
<td>-0.26%</td>
</tr>
<tr>
<td><strong>Other Long Term Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Accrued Pension Expense (Net of Current)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total Other Long Term Liabilities</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>115,212,062</td>
<td>114,625,947</td>
<td>(586,115)</td>
<td>-0.51%</td>
</tr>
<tr>
<td><strong>Net Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted Fund Balance</td>
<td>$6,320,219</td>
<td>$6,320,219</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Temporarily Restricted Fund Balance</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Restricted Fund Balance</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Net Revenue/(Expenses)</td>
<td>(351,899)</td>
<td>(156,182)</td>
<td>(195,717)</td>
<td>125.31%</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td>5,968,321</td>
<td>6,164,037</td>
<td>195,717</td>
<td>3.18%</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$121,180,383</td>
<td>$120,789,984</td>
<td>($390,399)</td>
<td>-0.32%</td>
<td></td>
</tr>
</tbody>
</table>

**Year 06/30/2018**

- **Total Current Liabilities** $2,231,450
- **Total Long Term Debt** $115,514,029
- **Total Other Long Term Liabilities** $0
- **Total Liabilities** $117,745,479
- **Net Assets** $6,320,219
TAB D
## Measure A analysis of Project Funds Paid by General Category

### 11/30/2018

<table>
<thead>
<tr>
<th>Project-to-Date</th>
<th>11/30/2018 UPDATE</th>
<th>11/30/2018 UPDATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Equipment</td>
<td>$5,311,028</td>
<td>$ -</td>
</tr>
<tr>
<td>Radiology Equipment</td>
<td>$1,526,641</td>
<td>$ -</td>
</tr>
<tr>
<td>Legal/Regulatory/Bonds</td>
<td>$3,143,910</td>
<td>$ -</td>
</tr>
<tr>
<td>Architectural (HDR)-ALL PHASE 1 PROJECT</td>
<td>$11,756,851</td>
<td>$ -</td>
</tr>
<tr>
<td>Construction Management-ALL PHASE 1</td>
<td>$12,875,601</td>
<td>$ -</td>
</tr>
<tr>
<td>Contractors 1-A (HELIPAD/COOLING TOW)</td>
<td>$7,814,103</td>
<td>$ -</td>
</tr>
<tr>
<td>Other</td>
<td>$3,021,460</td>
<td>$ -</td>
</tr>
<tr>
<td>Contractors 1-B (CENTRAL PLANT)</td>
<td>$20,800,201</td>
<td>$ -</td>
</tr>
<tr>
<td>Contractors 1-C (ED/ICU)</td>
<td>$28,157,355</td>
<td>$ -</td>
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<tr>
<td>Contractors 1-E Dietary Remodel</td>
<td>$5,225,946</td>
<td>$ -</td>
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<tr>
<td>Contractors 1-Medley Project</td>
<td>$4,796,620</td>
<td>$ -</td>
</tr>
</tbody>
</table>

### Previous Expenditures for Measure A-Phase 1

| $104,429,717 |

### Contractors, Architect, Mgmt - 2-A Patient Facility prior to 9/1/14

| $7,015,575 |

### Expenditures prior to 9/01/14 all phases

| $111,445,293 |

### Project expenditures using District Funds

| TCU Conversion 0001 | $0.00 | $0.00 | $108,612 |
| Medical Records Conversion 0004 | $0.00 | $0.00 | $13,618 |
| Pharmacy Conversion 0005 | $0.00 | $0.00 | $50,447 |
| CIP Patient Care Facility-0008 | $0.00 | $0.00 | $2,100 |

### Project Expenditures using Measure A funds

| TCU Conversion 0001 | $539,852.53 | $0.00 |
| Medical Records Conversion 0004 | $0.00 | $0.00 |
| Pharmacy Conversion 0005 | $0.00 | $0.00 |
| CIP Patient Care Facility-0008 | $1,318,856.28 | $0.00 | $0.00 |
| OR Electrical Conversion | $0.00 | $0.00 | $39,751.00 |
| Other Construction Costs | $49,177.92 | $0.00 |
| Other Non-Construction Costs | $193,576.42 | $0.00 | $5,955.22 |

### Total Expenditures

| $113,546,756 | $ - | $220,483 |
**Measure A Project General Obligation Funds**  
**Statement of Funds Flows**

### PROCEEDS SUMMARY:
- Initial Project Fund transfer from sale of General Obligation Bonds 2006 A to FSA 2006 A: 25,200,349
- Initial Project Fund Transfer from sale of General Obligation Bonds 2006 B (08/08/2006) 2006 B: 24,876,964.91
- Initial Project Fund from sale of General Obligation Bonds 2006 C (08/14/2009) 2006 C: 57,800,000
- Planholder Checks project to date and refunds for overpayments: 24,072
- Initial Proceeds: 108,041,365
- Investment Income:
  - FSA Inc. (Series 2006 A): 1,762,060
  - BB&T GIC (Series 2008 B): 1,461,176
  - Bank of Hemet Series A: 1,001
  - City National Money Market: 81
  - GE Capital (Series 2009 C): 2,638,823
  - Security Bank Money Market: 37,646
- Interest Income SUBTOTAL: 5,900,788
- Total Proceeds Available for Measure A: $113,942,153

### Projected Interest by end of Project:
- $5,912,351

### Total Projected Proceeds Available for Measure A:
- $113,953,716

### FUND FLOWS:
- Total Measure A Funds Initial Proceeds (from above): 108,041,364.81
- Add:
  - Rate
  - Interest Income
  - FSA Inc. (Series 2006 A), FY 07: 5.27% 1,030,536.43
  - FSA Inc. (Series 2006 A), FY 08: 5.27% 635,706.73
  - FSA Inc. (Series 2006 A), FY 09: 5.27% 95,817.32
  - BB&T GIC (Series 2008 B) FY 09: 4.94% 680,384
  - BB&T GIC (Series 2008 B) FY 10: 4.94% 648,151
  - BB&T GIC (Series 2008 B) FY 11: 4.94% 132,640
  - GE Capital (Series 2009 C) FY 10: 1.75% 688,722
  - GE Capital (Series 2009 C) FY 11: 1.75% 956,529
  - GE Capital (Series 2009 C) FY 12: 1.75% 591,104.24
  - GE Capital (Series 2009 C) FY 13: 1.75% 293,402.39
  - GE Capital (Series 2009 C) FY 14: 1.75% 109,065.59
  - Bank of Hemet Series A: 1,001
  - City National Money Market: 81
  - Security Bank Construction funds: 1,126
  - Security Bank Construction Money Market: 36,520
- Total Interest Income earned: $5,900,788
- Project Expenditures (from above): $113,546,756
- Total Consolidated Funds available: $395,397.05
  - spent to date: 100%

### MEASURE A BALANCES:
- Balances as of 11/30/2018
- Bank of Hemet Series A: 4310
- Security Bank of California Construction Fi: 1812 5,620
- Total Balances: $395,397
- VARIANCE: $0.00
<table>
<thead>
<tr>
<th>Check#</th>
<th>INVOICE#</th>
<th>Payee</th>
<th>Check/Inv. Date</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

No checks issued

Total $0.00
TAB E
AMENDED AND RESTATED BYLAWS
OF THE
SAN GORGONIO MEMORIAL
HEALTHCARE DISTRICT
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- Section 2. Public Body.

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- Section 2. Principal Office.
- Section 3. Board of Directors.
- Section 4. Seal.
- Section 5. District Service Area.

**ARTICLE III. BOARD OF DIRECTORS**
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- Section 3. Electorate.
- Section 4. Successors.
- Section 5. Vacancies.
- Section 6. Quorum.
- Section 7. Agenda.
- Section 8. Regular Meetings.
- Section 9. Organizational Meeting.
- Section 10. Special Meetings.
- Section 11. Management.
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- Section 13. Adjournment.
- Section 15. Compensation and Expenses.
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Section 1. Officers.

Section 2. Duties of Officers.

(a) Chair.

(b) Vice Chair.

(c) Treasurer.

(d) Secretary.

ARTICLE V. MISCELLANEOUS

Section 1. Contracts and How Executed.

Section 2. Checks, Drafts, etc.

Section 3. Conflict of Interest and Employment Restrictions

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ARTICLE VIII. MEDICAL STAFF

Section 1. Medical Staff.

Section 2. Incorporation of San Gorgonio Memorial Hospital Bylaw Provisions.

ARTICLE IX. AMENDMENTS

ARTICLE X. CERTIFICATE OF SECRETARY
AMENDED AND RESTATED BYLAWS

OF THE

SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT

ARTICLE I. PURPOSES

Section 1. Specific Purposes. The purposes of this healthcare district shall be:

(a) To establish and maintain a hospital for the care of persons suffering from illnesses or disabilities which require that the patients receive hospital care.

(b) To carry on any activities related to health services which, in the opinion of the Board of Directors, may be justified by the facilities, personnel, funds or other requirements that are or can be made available.

(c) To promote and carry on scientific research related to the care of the sick and injured insofar as, in the opinion of the Board of Directors, such research and education can be carried on in, or in connection with, the hospital.

(d) To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health of the community.

Section 2. Public Body. This district is organized as a public body. No part of its earnings will inure to the benefit of any member, director, officer or individual.

ARTICLE II. ORGANIZATION

Section 1. Name. The name of this healthcare district shall be "San Gorgonio Memorial Healthcare District".

Section 2. Principal Office. The function and governance of this District shall be conducted at the principal office of the San Gorgonio Memorial Hospital, which is located at the southeastern corner of Highland Springs Avenue and West Wilson Street in the City of Banning, in the County of Riverside, State of California or such other place or places in the District as the Board of Directors may from time to time designate.

Section 3. Board of Directors. The administrative powers of this District shall be vested in a Board of Directors of five members who have charge, control and management of the property, affairs and funds of the District and who have the power and authority to perform all acts and functions not inconsistent with these bylaws or with the Healthcare District Laws of the State of California.

Section 4. Seal. The District shall have a seal which shall be circular in form and have in the perimeter thereof the following inscription:

San Gorgonio Memorial Healthcare District

Organized October 9, 1947

California
**Section 5. District Service Area.** The District is entirely located in Riverside County and the State of California. Communities serviced are as follows: CALIMESA - CHERRY VALLEY - BANNING - BEAUMONT - CABAZON - WHITEWATER. The present boundary of San Gorgonio Memorial HealthCare District is as shown on attached map.

**ARTICLE III. BOARD OF DIRECTORS**

**Section 1. Number and Qualification.** There shall be five (5) directors of this District, each of whom shall be a registered voter residing in this District.

**Section 2. Term.** The term of each Director shall be four (4) years. These terms shall be staggered. In each year divisible by four, two (2) Directors shall be elected for four (4) year terms. In the other even years, three (3) Directors shall be elected for four (4) years.

**Section 3. Electorate.** Directors shall be elected by the qualified electors of the District. All registered voters residing in the District are qualified electors.

**Section 4. Successors.** Directors shall go out of office upon the election and qualification of their successors after each healthcare district general election in even numbered years, as provide by California Health and Safety Code Section 32100.

**Section 5. Vacancies.** A vacancy upon the Board can occur upon the happening of any of the events set forth in Government Code Section 1770. Any vacancy shall be filled in accordance with Section 1780 of the Government Code and in accordance with other applicable statutes. Any person appointed to fill such vacancy shall hold office for the unexpired term.

**Section 6. Quorum.** A quorum for the transaction of business at regular or special meetings shall consist of a majority of the members of the Board of Directors.

**Section 7. Agenda.** The agenda at any meeting of the Board of Directors shall be as required from time to time by the Local Healthcare District Law.

**Section 8. Regular Meetings.** The Board of Directors shall hold regular meetings at such times as may be prescribed from time to time by resolution of the Board of Directors, but not less than ten times annually. Such meetings shall be held on the campus of the San Gorgonio Memorial Hospital or at such other place within the boundaries of the District as may be designated from time to time by the Healthcare District Board of Directors.

**Section 9. Organizational Meeting.**

(a) At the first meeting following a regular hospital election, the Board of Directors shall meet for the purpose of organization, including election of officers, committee assignments and the transaction of other necessary business.

(b) At the regular meeting in January, the Board of Directors shall meet for the purpose of reviewing the Bylaws and updating them as necessary.

**Section 10. Special Meetings.** Special meetings of the Board may be called by the Chair, or shall be called at the written request of three members of the Board. Written notice of special meetings shall be mailed from a point within the District to each member of the Board at least forty-eight hours before the date of such special meeting. This notice shall state the business to be conducted and no business other than that stated in the notice shall be conducted at such special meeting.

**Section 11. Management.** Subject to the limitations of the Local Healthcare District Laws, or as the same may hereafter be amended, and subject to the duties of Directors as prescribed by the bylaws, it is the responsibility of the Board of Directors to ensure that any hospital operated by the District is properly managed in accordance with the Health and Safety Code, and to establish policy, maintain quality patient care, and provide for institutional management and planning.
Section 12. Sessions of Board Open to Public. All of the sessions of the Board of Directors, whether regular or special, shall be open to the public, except as authorized by Government Codes 54950 et seq., Health and Safety Code Sections 32106 and 32155, and such additional statutory authority as may exist from time to time relating to public meetings of local health care districts.

Section 13. Adjournment. A quorum of the Directors may adjourn any Directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum those present at any directors meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 14. Notice of Adjournment. Notice of the time and place of holding an adjourned meeting shall be given to absent directors.

Section 15. Compensation and Expenses. The members of the District Board of Directors are entitled to receive amounts per meeting as provided by California Administrative Codes. Such amounts shall not be mandatory and Board Members choosing not to accept compensation may do so. Additionally, each Board member is also entitled to receive reimbursement for expenses incurred in conjunction with educational seminars.

ARTICLE IV. OFFICERS

Section 1. Officers. The officers of the Board of Directors shall be a Chair, a Vice Chair, a Secretary, a Treasurer and such other officers as the Board of Directors may authorize. They shall hold office for a period of one year or until their successor shall have been duly elected and qualified. All officers, agents and employees shall be bonded in such amounts as may be determined from time to time by the District Board of Directors.

Section 2. Duties of Officers.

(a) Chair. The Chair shall call and preside at all meetings and shall be ex-officio, a member of all committees.

(b) Vice Chair. The Vice Chair shall act as Chair, in the absence of the Chair and when so acting shall have all the power and authority of the Chair.

(c) Treasurer. The Treasurer's duties shall correspond with those delineated in Section 32127 of the Health and Safety Code of the State of California or as the same may hereafter be amended.

(d) Secretary. The Secretary shall: (i) act as or cause to be provided a Secretary of the Board, (ii) act as or cause to be provided a custodian of all records and reports of the District and of the Board (iii) be responsible for or cause to be maintained the keeping and reporting of adequate records of all transactions and of the minutes of all meetings of the Board of Directors. The Secretary shall also be responsible for causing the copying and forwarding to the County Clerk of the disclosure forms required to be filed with the Secretary under the California Political Reform Act.

ARTICLE V. MISCELLANEOUS

Section 1. Contracts and How Executed. Except as otherwise provided by these bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the District, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors no officer, agent or employee shall have any power or authority to bind the District by any contract or engagement or to pledge its credit or render it liable for any purpose or to any amount.

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the District, shall be signed or endorsed by such person or persons and in the manner as, from time to time, shall be determined by resolution of the Board of Directors.
Section 3. Conflict of Interest and Employment Restriction.

(a) **Prohibited Conflict of Interest.** Members of the Board of Directors shall not have a prohibited conflict of interest and may not make, participate in making, or in any way use or attempt to use his or her official position to influence a District decision when he or she knows or has reason to know he or she has a disqualifying financial interest. A disqualifying conflict of interest arises when a Director, or his or her immediate family, can reasonably foresee a direct and material monetary gain or suffer any direct and material monetary loss as a result of his or her official activity or on any financial interest described by Title 2 of the California Code of Regulations §18700. A disqualifying conflict does not exist if, as a member of a business profession, occupation or group, a Director accrues no greater of a benefit or detriment than any other Director. As may be permitted by Government Code Sections 1091-1091.5, if a member of the Board of Directors has a disqualifying conflict of interest with certain matters before the Board, such Member shall recuse himself/herself from any discussion on the matter as well as any vote on the matter.

(b) **No Employment with District or Hospital.** An employee of the District or the Hospital shall not be sworn into office as an elected or appointed member of the Board unless the elected or appointed member resigns as an employee. If the elected or appointed member does not resign, the employment shall be deemed automatically terminated upon his or her being sworn into office.

(c) **No Significant Financial Interest in Transaction or Contract.** An elected or appointed member of the Board of Directors shall not be sworn into office as long as the member has a significant financial interest in a pending transaction or existing contractual arrangement with the District or the Hospital. A significant financial interest exists where the Director, or his or her immediate family, has a direct and material monetary gain or would suffer direct and material monetary loss as a result of the transaction or contractual arrangement with the District, including any financial interest described by Title 2 of the California Code of Regulations §18700.

(d) **One Year Restriction.** A former member of the Board of Directors may not be hired by the District in the capacity of an employee, or have a significant financial interest in any transaction or contractual arrangement with the District for one (1) year after the former member has ceased to be a Director. This prohibition shall not apply to any Director who was at the inception of his or her term of office an employee, or had a significant financial interest with the District and terminated such employment status or such significant financial interest upon the commencement of his or her term.

(e) **Compliance with District’s Conflict of Interest Code.** Members of the Board of Directors shall comply with the District’s Conflict of Interest Code, as it may be amended or supplemented from time to time, applicable provisions of the Political Reform Act, Government Code Section 81000, et seq. Government Code Section 1090 et seq. and other policies adopted by the Board, including but not limited to confidentiality and conflict of interest policies. As required by the foregoing laws, Board members shall file an FPPC Form 700 with the District within 30 days of taking office, annually, and within 30 days of leaving office.

ARTICLE VI. COMMITTEES

The Committees of the Board shall be standing or special. The Chair of each Committee must be a member of the Board of Directors. All Committee appointments shall be made by the Chair of the Board of Directors.

All Standing Committees shall meet annually, unless the specific description of a Standing Committee specifies a different frequency of meeting, or except as a different frequency of meeting is set by the Board of Directors.

Ad hoc committees may be appointed by the Chair with the concurrence of the majority of the Board and in such numbers and for such special tasks as circumstances warrant. Such special Committees shall limit their activities to the accomplishment of the task for which created and appointed, and shall have no power to act except such as is specifically conferred by action of the Board. Upon completion of the tasks for which appointed, each such special committee shall stand discharged.

All appointments to committees shall terminate with the reorganization of the Board of Directors at the organizational meeting held following regular district elections or upon the special election or appointment of any new Board member(s).
ARTICLE VII. Chief Executive Officer

Section 1. Chief Executive Officer. The Board of Directors may employ an experienced Chief Executive Officer (“CEO”), who shall be the direct executive representative in the management of the District. This CEO shall be given the necessary authority and held responsible for the administration of the District in all its activities and departments, subject only to such policies as may be adopted, and such orders as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action. The CEO shall act as the duly authorized administrative representative of the Board of Directors in all matters concerning the District.

ARTICLE VIII
MEDICAL STAFF

Section 1. Medical Staff. The Board of Directors shall assure that the Medical Staff of any hospital operated by the District is organized into a responsible self-governing administrative unit that has the overall responsibility for the quality of all medical care provided to patients, and for the ethical conduct and professional practices of its members, as well as for accounting therefore to the Board of Directors.

Section 2. Incorporation of San Gorgonio Memorial Hospital Bylaw Provisions. For so long as the hospital is leased to San Gorgonio Memorial Hospital, and thereafter until such time as this District adopts replacement language to be inserted herein, that portion of the corporate bylaws of San Gorgonio Memorial Hospital which relates to the hospital Medical Staff, including matters relating to appointments, organization and hearings and appeals, is incorporated herein by this reference as though fully set forth here at.

ARTICLE IX. AMENDMENTS

The Bylaws may be amended at a regular or special meeting by affirmative vote of a majority of all members of the District Board of Directors.

ARTICLE X. CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT, and that the above Amended and Restated Bylaws, consisting of 10 pages, including this page, are the Bylaws of the San Gorgonio Memorial Healthcare District as adopted by the Healthcare District's Board of Directors on January 9, 2018 and that they have not been amended or modified since that date.

Executed on January 8, 2019 at Banning, California.

_________________________________________, Secretary
TAB F
CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

HEALTHCARE DISTRICT BOARD

This Confidentiality and Nondisclosure Agreement (“Agreement”) is entered into on __________, _______ between San Gorgonio Memorial Healthcare District (“District”) and ______________ an individual (“Director”). The District and Director are each a “Party” and sometimes collectively referred to herein as the “Parties”.

RECITALS

A. Director has been elected/appointed as a director of District’s board of directors (“Board of Directors”) wherein Director will have access to certain business information, including, but not limited to, financial information exchanged in closed door sessions of the Board of Directors (“Confidential Information”).

B. Director desires to assure District that the Confidential Information will not be disclosed to other individuals or entities, except as expressly authorized by this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

OPERATIVE PROVISIONS

1. Acknowledgment. The Parties acknowledge and understand that the Confidential Information contains sensitive and private information, some of which may constitute trade secrets of District.

2. Restriction on Use. The Parties agree that only management level employees and professional advisors of District (collectively “Authorized Persons”), shall have access to the Confidential Information and that each Party shall cause any such Authorized Persons having access to the Confidential Information to sign an agreement substantially in the form of this Agreement, in which said Authorized Person agrees to be bound by terms and provisions substantially identical to those set forth in this Agreement.

3. Restriction on Disclosure. Each Party further agrees on behalf of itself and any Authorized Persons, that it shall hold, maintain and protect the confidential nature of the Confidential Information and shall not disclose the existence or contents of the Confidential Information to any person or entity, except as expressly authorized by this Agreement.

4. Exceptions to Restriction on Disclosure. Nothing contained in this Agreement shall prevent or be interpreted as preventing either Party or the Authorized Persons from disclosing the Confidential Information under the following circumstances:

   (a) Where written consent is provided by the non-disclosing Party; and

   (b) Where disclosure of the Confidential Information is required by subpoena or other process of law; provided the subpoenaed Party or the Authorized Persons, as the case may be,
shall promptly notify the non-subpoenaed Party of the receipt of said process so as to allow the non-subpoenaed Party every opportunity to resist the subpoena, service of process or court order.

5. No Rights in Confidential Information. No rights or licenses in the Confidential Information, expressed or implied, are granted to Committee Member as a result of this Agreement.

6. Survival. Director’s obligations with respect to the Confidential Information shall survive any expiration, termination or cancellation of this Agreement and continue to bind Director.

7. Governing Law. This Agreement shall be governed by the laws of the State of California.

8. Remedies. Committee Member acknowledges that money damages alone would not be a sufficient remedy for its breach of this Agreement. In addition to all other remedies, District shall be entitled to specific performance and injunctive or equitable relief to remedy a breach. Director agrees to waive any requirement for the securing or posting of a bond in connection with such remedy. Director agrees to be fully responsible for its breach of any provision of this Agreement.

9. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the Parties with respect to the subject matter herein and supersedes all prior agreements and understandings, whether oral or written.

10. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

DIRECTOR:

By: __________________________
    (signature)

Name: __________________________
    (name printed)
TAB G
SAN GORGONIO MEMORIAL
HEALTHCARE DISTRICT

SLATE OF OFFICERS

2018

Chair          Dennis Tankersley
Vice Chair     Estelle Lewis
Secretary      Georgia Sobiech
Treasurer      Bakhtiar Ahmad, MD

Revised 5/4/16
San Gorgonio Memorial Healthcare District Board

2018 Committee Assignments

Measure A Community Oversight Committee
Lynn Bogh Baldi (C)
Vicki Grunewald
Donna Lester
Estelle Lewis
Ron Rader
Brian Sylva
Dennis Tankersley

Measure D Community Oversight Committee
Lynn Bogh Baldi (C)
Amy Herr
Peg Monahan
Brian Sylva
Dennis Tankersley
Jim Walling

Note: (C) indicates Committee Chair
TAB I
Hi Bobbi! Happy New Year!!

Please see attached COI Code for San Gorgonio Memorial Healthcare District.

The code was approved by the Riverside County Board of Supervisors at their December 4, 2018 board meeting. (as item 2.16)
The code does not go into effect until 30 days after county board approval.

Let me know if you need anything further.

Cheri Marinos
SEI Filing Officer
Clerk of the Board of Supervisors
4080 Lemon Street, 1st Floor, #127
Riverside, CA 92501
Ph: 951-955-1302  Fax: 951-955-1071
Mail Stop 1010
CMarinos@rivco.org
http://rivcocob.org/

WARNING: Please be vigilant when opening emails that appear to be the least bit out of the ordinary, e.g. someone you usually don’t hear from, or attachments you usually don’t receive or didn’t expect, requests to click links or log into systems, etc. If you receive suspicious emails, please do not open attachments or links and immediately forward the suspicious email to emailabuse@sgmh.org and then delete the suspicious email.
FROM: COUNTY COUNSEL:

SUBJECT: COUNTY COUNSEL: Approval of the Conflict of Interest Code of the San Gorgonio Memorial Healthcare District, District 5 [$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Conflict of Interest Code of the San Gorgonio Memorial Healthcare District; and
2. Direct the Clerk of the Board to notify the San Gorgonio Memorial Healthcare District of the action taken.

ACTION: Consent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley

Nays: None

Absent: None

Date: December 4, 2018

xc: Co.Co., District, COBcm

Kecia Harper-Ihem
Clerk of the Board
By: Deputy
SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

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<th>Next Fiscal Year</th>
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SOURCE OF FUNDS: N/A

Budget Adjustment: N/A

For Fiscal Year: N/A

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Political Reform Act prohibits a public official from using his or her position to influence a government decision in which he or she has a financial interest. Government Code section 87300 requires local government agencies to adopt and promulgate a Conflict of Interest Code identifying officials and employees required to file statements of economic interest based on the positions they hold. A local government agency, as defined by Government Code section 82041, includes the San Gorgonio Memorial Healthcare District.

Each even-numbered year, Government Code section 87306.5 requires local government agencies to review their Conflict of Interest Code, make appropriate revisions, if necessary, and submit an amended Conflict of Interest Code to the code reviewing body. Government Code section 82011(b) identifies the Board of Supervisors for the County of Riverside as the code reviewing body for a local government agency within its county.

The San Gorgonio Memorial Healthcare District recently amended its Conflict of Interest Code on September 11, 2018 to include new positions. The San Gorgonio Memorial Healthcare District has submitted its amended Conflict of Interest Code for approval by the Board of Supervisors as the code reviewing body.

This office has reviewed the Conflict of Interest Code of the San Gorgonio Memorial Healthcare District and has found that it complies with statutory requirements. A complete copy of the Conflict of Interest Code of the San Gorgonio Memorial Healthcare District is attached.

It is recommended that the Board of Supervisors approve the Conflict of Interest Code of the San Gorgonio Memorial Healthcare District, and direct the Clerk of the Board to notify the San Gorgonio Memorial Healthcare District of the action taken.

ATTACHMENTS:

Attachment A: SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT MINUTES: SEPTEMBER 11, 2018
Attachment B: CONFLICT OF INTEREST CODE FOR THE SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT

Melissa Noone, Associate Management Analyst  11/20/2018  Gregory V. Priapitis, Director County Counsel  11/4/2018
TAB J
Hospital healthcare district candidates take surprising upsets in final election tally

BY DAVID JAMES HEISS
Record Gazette

Lanny Swerdlow, a registered nurse and advocate for medical marijuana, had written off the November election, figuring he had lost his bid to win one of three open seats on the San Gorgonio Memorial Healthcare District's board of directors.

Initially, out of a field of eight candidates who qualified for the ballot, two incumbents endorsed by the Record Gazette, Lynn Baldi and Georgia Sobiech had kept their seats, joined by newcomer Phillip Capobianco.

In the days that followed, Sobiech's vote count was surpassed by Swerdlow: the official count in the end was 8,478 votes for Swerdlow, 8,424 votes for Sobiech.

"I didn't see it coming," said Swerdlow, who came to the Dec. 4 board meeting accompanied by his husband, Victor Michele.

Based on his observations from the past few meetings he has attended, Swerdlow told the Record Gazette, "I'm concerned about the serious financial shape" the hospital is in.

Swerlow believes that his involvement as a member of the Executive Board of the California Democratic Party, he will be able to draw on his connections with state legislators to garner support for decisions that could assist the hospital.

Capobianco made his first-ever appearance at the board meeting and quietly observed.

Capobianco had been a mystery to most members of the board, since no one had ever seen him in public or met him, and he did not respond to outreach from the

(continued on page 4)

HOSPITAL

(continued from page 3)
Record Gazette during the election season, though explained later that he had been dealing with a family illness.

Sobiech was not surprised at Swerdlow's win.

She had paid attention to the latest updates on the Registrar of Voters website almost every evening, and he was usually ahead by at least 20 votes, which she did not anticipate was going to change.

"What gets me — and I'm sure everyone else who ran in this election — was how long it takes" to have the results certified, Sobiech said.

She said she was unlikely to run again.

"I'm 76 now; I'll be 78 when the next opportunity comes up. I'm just too old to worry about another four years," she joked.

Staff Writer David James Heiss may be reached at dheiss@recordgazette.net, or by calling (951) 849-4586 x114.
Capobianco hopes to give back via serving on hospital board

BY DAVID JAMES HEISS
Record Gazette

Phillip Capobianco III concluded a recent phone call with a visitor:

"Why aren't Koala bears considered to be actual bears?"

The answer, apparently, is "Because they aren't koala-".

Capobianco can be a fun and charismatic individual to those who get to know him.

For the rest of the world, he has been an enigmatic ele-"sive figure in the weeks lead-"ing up to November's elec-"tion he did not return mes-"sages from reporters, and no one on the San Gorgonio Memorial Healthcare District's board seemed to know who he was.

And yet, the mystery man went on to garner the most voters and win a seat on the board — nearly 1,000 more than incumbent Lynn Baldwin, who had been elected to the Record Gazette's endorse-"ment, along with newcomers Lanny Swoverland.

Hospital critics and staff alike view his qualifi-"cations as a "rested physi-"cian," which is what his pro-"fession was reported to be the county Registrar of Voters, though there is no record of him being a physician in California.

He told others when he made his initial appearance at the hospital board's Dec. 4 meeting (me missing the board meeting meeting an hour earlier), that he was not aware that he could attend the public municipal meeting.

"Online meetings are open to the public," unless they are in a closed session.

Capobianco, 65, could tell the Record Gazette that he was not hired for the office because he was under the impression "No one runs for this office, so you can pretty much do as you please." He said he could easily make a contri-"bution, if he chose, to the world where he believed no one else would care.

He seemed surprised when the Registrar of Voters office informed him that there were seven others qualified to com-"pete against him, vying for three open seats.

He was just as surprised as everyone who ran for a seat.

His wife, his "campaign manager," and probably everyone in his church com-"munication, shared in the news.

He explained that he did not return messages during election season because he was "tending to his mother's health." He later said she had been a "quietly living here" in Cabazon "and paying taxes for 18 years, and had no inten-"tion of drawing attention to ourselves," Capobianco says.

And his wife Ruby will celebrate their 20th anniver-"sary in January 2019.

He met her in medical school at Manilla Central University in the Philippines. He showed a reporter his and his wife's diplomas, though the university did not respond to requests for con-"firmation, expressing concern about privacy.

According to Capobianco, he chose MCO because "it's the Oxford of the Philippines" and, the classes were in English, and I saved a lot of money" at $25,000 annual tu-"ition.

He told the Record Gazette that he conducted clinical studies at San Lazaro Hospital in Manila, and interned at Dr. Jose Fabella Memorial Hospital, also in Manila, as well as a couple of others in that metropolitan area.

Since he was in the Philippines as a student when he was never paid for his medical work there.

What he did not realize until he returned to the U.S. in 1997 was how much he had to do residencies, and the fact that the U.S. tends to be tougher on foreign medical graduates. "We don't recog-"nize international medical training as meeting our quality stan-"dards," according to Dr. Eric Beam, who explains the disadvantage in a post on the online Web platform KevinMD.com. "Doctors licensed to practice in their home countries must begin at square one if they want to work here. Before they even apply to residency, FMGs need a stamp of approval from the Educational Commission for Foreign Medical Graduates," only of which half succeed in getting certified, he claims.

In Capobianco's case, his attempt to take the medical boards exam in the U.S. was delayed as he struggled to get settled, and family conflicts created obstacles for him.

As time went on and he was further removed from his medical studies, competing with students from over medical school, the opportunity to pass the board exam gets more difficult and expensive.

"Even though I was an American who went to study medicine abroad, when I returned, I was treated like a foreigner" when trying to get into the medical profession, which "I was not prepared for," Capobianco says.

"If I wanted to go that route, since my credentials internationally are fine I could go practice medicine in another country and transfer medical board credentials," he says.

Vying for an opportunity to serve on the healthcare dis-"trict's board, an outlet for him to give back to the med-"ical community in some small way, he says.

Inspiration leads the way

Capobianco's 6-month-old sister suffered from a heart murmur, and died in infancy.

"She could have been saved if we were wealthy and had the surgery she needed," Capobianco says. "Seeing my baby sister be put in the ground is a very "emotional experience" that galvanized his desire to become a doctor, not to make money, but to ensure that he didn't have to stay idly by if a life could be saved."

Years later in 1969 when his car careened off a cliff in Alta Loma, the efforts to rescue him prompted him to join the Alta Loma Mountain Rescue Team, a high altitude extraction unit, volunteering with that region's sheriff's department for 20 years.

He attends Our Blessed St. Katari Tekavikth Church in Bermuda. It was there that one of his fellow congregants Jenny Inoc, a nurse at San Gorgonio Memorial Hospital, learned about Capobianco's desire to run for the healthcare district that governs her hospital.

"I joked to him that he's going to need a campaign manager," Inoc says. She was immediately appointed, though she admits, "I didn't really do anything." According to Inoc, Capobianco is liked by the church community at both of their locations in Banning and Bermuda, and car and church groups, people discover-"ed he was running for office, and had a big hand in helping him win, even if he did not actively campaign.

Some people in his church are patients at San Gorgonio Memorial Hospital, Inoc says, and simply consulted their doctor to support her choice.

A physician at heart

When Capobianco returned to the United States, and encountered family drama that was not helping him set-"ting down right away so he could focus on further med-"ical education, he quit his job as a nurse to get jobs with the Census.

He valuted at the San Manuel Spa, Resort & Casino as a slot employee. She still works there as an administrative operations manager.

People who know him see him as a man who takes the time to send thank you letters to the postal workers and waste manage-"ment folks who traverse his route.

He humbly drops off 6-"foot long rub sandwiches for the deputies at the Sheriff's station in Cabazon.

"When he and his wife come into our store, they go out of their way to stop by and ask members of our leader-" (continued on page 6)

But he has never been paid a dime for his medical practice.

"When people ask me what I do, or what I am, I tell them what's in my heart," he says. "It's not medicine, I am a physician. That's what I love. I love care for people, and I uphold the highest ethics."

And he does so with the blessing of his wife Ruby, who he pursued for five years before he granted him their first date.

"I asked her permission to run for this office," he says. "I figure, this will be my way to be involved in the medical community that has thus far been denied from serving."

"I have not run for this office on my own, and I did not have an agenda. It just seems very logical that a retired physician should give his time back to the community dist-"ric."