## Agenda

**WEDNESDAY, JULY 27, 2022**

1:30 p.m.

**PLEASE NOTE:**

Participation will be virtual pursuant to Board Resolution No. 01.10.22(03)-03

Please join the meeting from your computer, tablet or smartphone:
https://meet.goto.com/730477221

OR Dial in using your phone: 866.899.4679; Access Code: 730477221#

### CALL TO ORDER

<table>
<thead>
<tr>
<th>Time</th>
<th>Form A Page</th>
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<tbody>
<tr>
<td>1:30</td>
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**Public Comments**

<table>
<thead>
<tr>
<th>Time</th>
<th>Target</th>
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</thead>
<tbody>
<tr>
<td>2:00</td>
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</tbody>
</table>

1. Board Finance Committee Follow-ups – **NONE**

2. * Approval: Minutes – Finance Committee – Wednesday, April 27, 2022 (To be presented at the meeting)


5. * Approval: * Review/Approval: Resolution No. 08.08.22(02):18 of the Board of Directors of Palomar Health – Establishment of the Appropriations Limit for Fiscal Year 2023 (ADD C – Pp28-32)


7. * Review: Pre-Audit June 2022 & YTD FY2023 Financial Statistics (To be distributed under separate cover)

8. * Review/Approval: Resolution No. 08.08.22(03):19 of the Board of Directors of Palomar Health Authorizing the Undertaking of a Financing in an Aggregate Principal Amount Not to Exceed $280,000,000 (ADD E – Pp36-40)

### ADJOURNMENT

The meeting—without public comments—is scheduled to last 50 minutes, starting at 1:30 p.m., with adjournment at 2:20 p.m.

### Board Finance Committee – Voting Members

<table>
<thead>
<tr>
<th></th>
<th>Mike Pacheco – Director</th>
<th>Jeff Griffith, EMT-P – Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laura Barry – Chair</td>
<td>Sabiha Pasha, MD, CoS Palomar Medical Center Escondido</td>
<td>Edward Gurrola, MD, CoS Palomar Medical Center Poway</td>
</tr>
<tr>
<td>Diane Hansen, President &amp; CEO</td>
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</tbody>
</table>

### Board Finance Committee – Alternate Voting Members

<table>
<thead>
<tr>
<th></th>
<th>Kanchan Koirala , MD – CoS-Elect CoS Alternate – Palomar Medical Center Escondido</th>
<th>Sam Filiotto, MD – CoS-Elect CoS Alternate – Palomar Medical Center Poway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laurie Edwards-Tate, MS Board Alternate</td>
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</tr>
</tbody>
</table>

### Board Finance Committee – Non-Voting Members

<table>
<thead>
<tr>
<th></th>
<th>Hugh King, CFO</th>
<th>Sheila Brown, RN, COO</th>
<th>Omar Khawaja, MD, CMO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mel Russell, RN, CNE</td>
<td>Vacant, Vice President of Finance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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* Asterisks indicate anticipated action. Action is not limited to those designated items.

1 New to GoToMeeting? Get the app now and be ready when your first meeting starts: [https://global.gotomeeting.com/install/728792797](https://global.gotomeeting.com/install/728792797)

2 See page 1a
Meeting will begin at 1:30 p.m.

Request for Public Comments
If you would like to make a public comment, please submit a request by doing the following:

• Enter your name and “Public Comment” in the chat function once the meeting opens

Those who submit a request will be called on during the Public Comments section and given 3 minutes to speak.

Public Comments Process
Pursuant to the Brown Act, the Board of Directors can only take action on items listed on the posted agenda. To ensure comments from the public can be made, there is a 30-minute public comments period at the beginning of the meeting. Each speaker who has requested to make a comment is granted three (3) minutes to speak. The public comment period is an opportunity to address the Board of Directors on agenda items or items of general interest within the subject matter jurisdiction of Palomar Health.
Minutes
Board Finance Committee Meeting
Wednesday, April 27, 2022

TO:       Board Finance Committee

MEETING DATE:   Wednesday, July 27, 2022

FROM:      Tanya Howell, Assistant

BY:        Hubert U. King, Chief Financial Officer

Background: The minutes of the Board Finance Committee meeting held on Wednesday, April 27, 2022, were not yet final at the time of posting. Should they be completed prior to the meeting, they will be submitted at that time for approval.

Budget Impact: N/A

Staff Recommendation: To be provided at the meeting.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:
TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Hubert U. King, Chief Financial Officer

Background: The following Executed, Budgeted, Routine Physician Agreement became effective as noted below:

<table>
<thead>
<tr>
<th>PHYSICIAN/GROUP</th>
<th>TYPE OF AGREEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>November 2021</strong></td>
<td></td>
</tr>
<tr>
<td>• Arch Health Partners, Inc., dba Palomar Health Medical Group</td>
<td>• Anesthesia Coverage and Director Services Agreement</td>
</tr>
<tr>
<td><strong>December 2021</strong></td>
<td></td>
</tr>
<tr>
<td>• Graybill Medical Group, Inc.</td>
<td>• Agreement for Services – EKG Reading Panel</td>
</tr>
<tr>
<td><strong>January 2022</strong></td>
<td></td>
</tr>
<tr>
<td>• Karen Hanna, MD</td>
<td>• Amendment No. 2 to Medical Director Agreement – Bariatric Services</td>
</tr>
<tr>
<td><strong>February 2022</strong></td>
<td></td>
</tr>
<tr>
<td>• The Regents of the University of California San Diego (UCSD)</td>
<td>• Perinatology Services Coverage Agreement</td>
</tr>
<tr>
<td><strong>May 2022</strong></td>
<td></td>
</tr>
<tr>
<td>• Escondido Pulmonary &amp; Sleep Specialists, Inc. (EPSS), with respect to Frank Bender, MD</td>
<td>• Amendment 1 to Medical Director Agreement - Respiratory &amp; Pulmonary Services</td>
</tr>
<tr>
<td><strong>July 2022</strong></td>
<td></td>
</tr>
<tr>
<td>• OBHG California, PC</td>
<td>• First Amendment to Professional Services Agreement – OB/GYN Coverage</td>
</tr>
</tbody>
</table>

The standard Form A and Abstract Table are attached.

Staff Recommendation: Approval
<table>
<thead>
<tr>
<th>COMMITTEE RECOMMENDATION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motion:</td>
</tr>
<tr>
<td>Individual Action:</td>
</tr>
<tr>
<td>Information:</td>
</tr>
<tr>
<td>Required Time:</td>
</tr>
</tbody>
</table>
TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Hubert U. King, Chief Financial Officer

Background: In July 2005, the first tranche of General Obligation Bonds ("GO Bonds") was issued. The Series (2005A) was priced in a negotiated sale on June 22, 2005, for $80 million PAR in Bonds. The Bond transaction closed on July 7, 2005.

In December 2007, the second tranche of GO Bonds was issued. The Series (2007A) was priced in a negotiated sale on December 4, 2007, for $241,083,318.80 PAR in Bonds. The Bond transaction closed on December 20, 2007.

In March 2009, the third tranche of GO Bonds was issued. The Series (2009A) was priced in a negotiated sale on March 11, 2009, for $110 million PAR in Bonds. The Bond transaction closed on March 18, 2009.

In November 2010, the fourth and final tranche of GO Bonds was issued. The Series (2010A) was priced in a negotiated sale on November 9, 2010, for $64,916,678.80 PAR in Bonds. The Bond transaction closed on November 18, 2010.

In October 2016, the district issued two Series of GO Refunding Bonds, both of which closed on October 27, 2016. The first Series (2016A) was priced at $48,520,000 and refunded all outstanding Series 2005A Bonds. The second Series (2016B) was priced at $164,450,000 and refunded the current interest portion of the Series 2007A Bonds.

On an annual basis, Palomar Health has requested that the County of San Diego levy and collect the taxes necessary to pay the debt service on the GO Bonds. Palomar Health calculates the tax amount to levy based upon the debt service amortization and the assessed value of the District. The assessed value is provided by the County. The County then puts the required tax onto the tax roll, collects the taxes, and remits the collected amounts to the Paying Agent, Wells Fargo, on a monthly basis. The Paying Agent makes the required principal and interest payments on a semi-annual basis.

The resolution (Addendum B) will authorize the County of San Diego to levy and collect the required ad valorem taxes for the 2022-2023 tax roll.

Budget Impact: N/A

Staff Recommendation: Approval of Resolution No. 08.08.22(01)-17 Concerning the Levy and Collection of Taxes by the Board of Supervisors of the County of San Diego for Fiscal Year 2022-2023 to Pay Principal and Interest on General Obligation Bonds and Authorizing the Taking of All Actions Necessary in Connection Therewith.

Committee Questions:

COMMITTEE RECOMMENDATION:
Motion:
Individual Action:
Information:
Required Time:
Resolution No. 08.08.22(02)-18
Establishment of Appropriations Limit for Fiscal Year 2023

TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Hubert U. King, Chief Financial Officer

BACKGROUND: The Board of Directors of Palomar Health annually adopts the Appropriations Limit for the district, pursuant to Article XIIIB of the California Constitution. This action requests approval of the County’s Appropriations Limit for Fiscal Year 2023. This limit applies only to unrestricted appropriations and is not related to any appropriations that are restricted for the General Obligation Bonds.

The Appropriations Limit is calculated to be $125,892,811 for Fiscal Year 2023 (Addendum C). The District is substantially under that limit and is expected to receive approximately $20,100,000 in unrestricted property tax revenues in Fiscal Year 2023.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Approval of Resolution No. 08.08.22(02)-18 Establishing the Appropriations Limit of the District for the Fiscal Year July 1, 2022 – June 30, 2023, Pursuant to Article XIII(B) of the California Constitution.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:
Review of Board Finance Committee Bylaws

TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Hubert U. King, Chief Financial Officer

Background: Annually or as edits are needed, the Board Finance Committee reviews the Bylaws of Palomar Health as they relate to the Committee and recommends any necessary revisions.

The following revision to §VIII.B.1.b. Non-Voting Membership is being recommended:

- Following the retirement of the Chief Operations Officer, it is recommended that the position title of Chief Operations Officer be replaced with the position title Chief Administrative Officer.

That edit – provided in both redline and clean versions – may be viewed in Addendum D.

Budget Impact: None

Staff Recommendation: Approval

Committee Questions:

Committee Recommendation:

Motion:

Individual Action:

Information:

Required Time:
Pre-Audit June 2022 & YTD FY2023 Financial Statistics

TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Hubert U. King, Chief Financial Officer

Background: As the June 2022 financial close has been extended to assure all FY2022 business transactions are recorded in the pre-audit financial statements, and consistent with prior year-end closings, full financial statements are not yet available. The statistics for the month of June will be distributed under separate cover for the Committee’s review.

Budget Impact: N/A

Staff Recommendation: Information only

Committee Questions:

Committee Recommendation:

Motion:

Individual Action:

Information:

Required Time:
Resolution No. 08.08.22(03)-19
Authorizing the Undertaking of a Financing in an Aggregate Principal Amount Not to Exceed $280,000,000

TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Hubert U. King, Chief Financial Officer

Background: Palomar Health currently has $130.9 million in outstanding debt in the form of Series 2006 Certificates of Participation with variable interest rates. Interest rates are rising and, therefore, Palomar Health management expects interest rates on these bonds will increase. These variable rate bonds also have a related interest rate SWAP.

The tenth and eleventh floors of Palomar Medical Center Escondido (PMCE) were “shelled out” during the initial construction of the facility but have never been completed. The need for inpatient beds at PMCE has increased, and management believes the time has come for the tenth and eleventh floors to be completed and equipped for inpatient care.

The emergency room at Palomar Medical Center Poway (PMCP) needs to be renovated, as do other units at that facility.

- Resolution No. 08.08.22(03)-19 Authorizing the Undertaking of a Financing in an Aggregate Principal Amount Not to Exceed $280,000,000 will provide management with the ability to develop a Plan of Finance to pay the Series 2006 Certificates in full, terminate the interest rate SWAP agreement and provide approximately $100 million in funding for the completion of the tenth and eleventh floors at PMCE, the renovation of the emergency room and other units at PMCP and the replacement of cardiac catherization laboratories and other equipment. The Plan of Finance, once developed by management, will be subject to Board Approval prior to the preparation of final documents.

Budget Impact:

- NTE $280 million of Certificates of Participation (Revenue Bonds) repayment obligation
- Costs of Issuance and Debt Service Reserve Fund netted from Par proceeds resulting in approximately $100 million of project proceeds toward the completion of the tenth and eleventh floors at PMCE, the renovation of the emergency room and other units at PMCP and the purchase of cardiac catherization and other equipment at all Palomar Health locations

Staff Recommendation: Management recommends approval of the Resolution (See Addendum E).

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:
Individual Action:
Information:
Required Time:
TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Omar Khawaja, MD, MBA, Chief Medical Officer

Background: Hospital desires to retain Group as an independent contractor to provide on an exclusive basis through its Physicians certain administrative services and professional Anesthesia medical services in the operation of the Departments and has determined that this proposed arrangement with Group shall enhance the Departments’ and each Facility’s organization, procedure standardization, economic efficiency, professional proficiency, and provide other benefits to enhance coordination and cooperation among the Departments’ providers and users.

Group is a nonprofit public benefit corporation which has been organized and operates as a multi-site, fully integrated, multi-specialty clinic that provides for medical research and health care education, exempt from clinic licensure pursuant to California Health & Safety Code Section 1206(l). Group contracts with physician(s) who are duly qualified and licensed to practice medicine in the state of California, who are experienced and qualified to provide professional services in the specialized field of anesthesia and who are members of Hospital’s Medical Staff.

Budget Impact: Budgeted

Staff Recommendation: Approval

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:
<table>
<thead>
<tr>
<th>Section Reference</th>
<th>Term/Condition</th>
<th>Term/Condition Criteria</th>
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<tbody>
<tr>
<td>TITLE</td>
<td>Anesthesia Coverage and Director Services Agreement</td>
<td></td>
</tr>
<tr>
<td>AGREEMENT DATE</td>
<td>November 1, 2021</td>
<td></td>
</tr>
<tr>
<td>PARTIES</td>
<td>Palomar Health and Arch Health Partners, Inc. dba Palomar Health Medical Group</td>
<td></td>
</tr>
<tr>
<td>1. PURPOSE</td>
<td>Hospital desires to retain Group as an independent contractor to provide on an exclusive basis through its Physicians, certain administrative services and professional Anesthesia medical services in the operation of the Department.</td>
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<tr>
<td>Recital C. SCOPE OF SERVICES</td>
<td>Professional Services and Medical Director Duties</td>
<td></td>
</tr>
<tr>
<td>PROCUREMENT METHOD</td>
<td>☐ Request For Proposal</td>
<td>☒ Discretionary</td>
</tr>
<tr>
<td>12. TERM</td>
<td>November 1, 2021 – October 31, 2024</td>
<td></td>
</tr>
<tr>
<td>12. &amp; 13. RENEWAL</td>
<td>No</td>
<td></td>
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<tr>
<td>13. a) TERMINATION</td>
<td>Either party may terminate this Agreement at any time without cause by providing no less than one hundred eighty (180) days’ written notice to the other party.</td>
<td></td>
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<tr>
<td>FAIR MARKET VALUATION</td>
<td>☒ YES ☐ NO 5/2/2022</td>
<td></td>
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<tr>
<td>11. b) COMPENSATION METHODOLOGY</td>
<td>The Parties hereby acknowledge and agree that the compensation hereunder is the product of bona fide arms-length negotiations and represents a commercially reasonable and fair market value payment for the Professional Services to be furnished hereunder without regard to the volume or value of the federal health care program or any other business generated by and among the Parties.</td>
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<tr>
<td>BUDGETED</td>
<td>☒ YES ☐ NO – IMPACT:</td>
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<tr>
<td>EXCLUSIVITY</td>
<td>☒ NO ☒ YES – EXPLAIN:</td>
<td></td>
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<tr>
<td>Recital A JUSTIFICATION</td>
<td>Hospital owns and operates an emergency department and/or Trauma Center at two (2) acute care hospitals in the north San Diego community, including Palomar Medical Center Escondido and Palomar Medical Center Poway.</td>
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<tr>
<td>AGREEMENT NOTICED</td>
<td>☐ YES ☒ NO Methodology &amp; Response:</td>
<td></td>
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<tr>
<td>ALTERNATIVES/IMPACT</td>
<td>N/A</td>
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<tr>
<td>Duties</td>
<td>☒ Provision for Staff Education</td>
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<td>☒ Provision for Medical Staff Education</td>
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<td>☒ Provision for participation in Quality Improvement</td>
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<td>☒ Provision for participation in budget process development</td>
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<tr>
<td>COMMENTS</td>
<td>None.</td>
<td></td>
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<tr>
<td>APPROVALS REQUIRED</td>
<td>☐ VP ☒ CFO ☒ CEO ☒ BOD-Committee – Finance; ☒ BOD</td>
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</table>
EKG READING PANEL AGREEMENT FOR SERVICE
GRAYBILL MEDICAL GROUP, INC.

TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Omar Khawaja, MD, Chief Medical Officer

Background: Graybill Medical Group, Inc., has agreements with physicians who are Board certified or Board eligible with specialty training and recent experience in Cardiology. All physicians are licensed to practice medicine in the state of California, are members in good standing with the Palomar Health Medical Center medical staff with no disciplinary/probation actions in process and are approved by the Hospital medical staff to serve on the EKG reading panel. Physicians placed on the EKG reading panel are appointed by the Cardiology Committee.

Palomar Health desires to engage Graybill Medical Group, Inc., to assure uninterrupted coverage to inpatients, specifically unassigned patients who may require an EKG reading.

The parties desire this agreement to cover and be confined to services provided to emergency department and inpatient EKG readings for hospital patients who have no primary care provider on the hospital medical staff or an established practitioner-patient relationship with a member of the hospital medical staff and/or require the care of a credentialed Cardiology physician with privileges and competency for EKG interpretation.

Budget Impact: Budgeted

Staff Recommendation:

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:
**Title**

**Agreement for Service – EKG Reading Panel**

**Agreement Date**

12/1/2021

**Parties**

Palomar Health and Graybill Medical Group, Inc.

**Purpose**

To ensure that one or more medical staff members on-call are available to read EKGs for inpatients, and Palomar Health desires to engage Graybill Medical Group, Inc., to assure uninterrupted coverage to inpatients, specifically unassigned patients who may require an EKG reading.

**Scope of Services**

Reading of EKGs per the monthly patient list provided by the Cardiology Committee.

**Procurement Method**

☐ Request For Proposal

X Discretionary

**Term**

December 1, 2021 to November 30, 2023

**Renewal**

None.

**Termination**

Either party may terminate this agreement without cause, expense, or penalty at any time after the effective date of this agreement by providing sixty (60) days' written notice.

**Fair Market Valuation**

X Yes  ☐ No – Date Completed: 11/19/2021

**Compensation Methodology**

The compensation provided to Graybill Medical Group, Inc., under this Agreement is fair market value for the items’ services provided to or on behalf of PH and does not take into account the volume or value of referrals or other business generated between the Parties. The items’ services provided to or on behalf of PH do not exceed those that are commercially reasonable and necessary for the business purposes of this Agreement.

**Budgeted**

X Yes  ☐ No

**Exclusivity**

X No  ☐ Yes – Explain:

**Justification**

This service is for Hospital patients who have no primary care provider on the Hospital Medical Staff or an established Practitioner-Patient relationship with a member of the Hospital Medical Staff and/or require the care of a credentialed Cardiology physician who is able to provide professional interpretation of EKGs.

**Agreement Noticed**

☐ Yes  X No  Methodology & Response: FMV

**Alternatives/Impact**

N/A

**Duties**

☐ Provision for Staff Education

☐ Provision for Medical Staff Education

☐ Provision for participation in Quality Improvement

☐ Provision for participation in budget process development

**Comments**

None.

**Approvals Required**

☐ VP  ☐ CFO  X CEO  X-BOD-Committee – Finance; X-BOD
TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Omar Khawaja, MD, MBA, Chief Medical Officer

Background: Hospital owns and operates several acute hospitals and other facilities that require leadership and support of the Palomar Health’s bariatric services program.

Physician shall serve as the medical director of the program and shall be responsible for the medical direction of the program and the performance of the other medical administrative services set forth in the agreement including all of the duties customarily associated therewith to the reasonable satisfaction of the hospital. Physician shall abide by all policies and procedures of the Medical Staff.

Budget Impact: Budgeted

Staff Recommendation:

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:
<table>
<thead>
<tr>
<th>Section Reference</th>
<th>Term/Condition</th>
<th>Term/Condition Criteria</th>
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</thead>
<tbody>
<tr>
<td>TITLE</td>
<td>Amendment No. 2 to Medical Director Agreement – Bariatric Services</td>
<td></td>
</tr>
<tr>
<td>AGREEMENT DATE</td>
<td>Original: January 1, 2020</td>
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<tr>
<td></td>
<td>Amendment No. 1: January 1, 2021</td>
<td></td>
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<tr>
<td></td>
<td>Amendment No. 2: January 1, 2022</td>
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<tr>
<td>PARTIES</td>
<td>Palomar Health and Karen Hanna, MD</td>
<td></td>
</tr>
<tr>
<td>A. PURPOSE</td>
<td>Physician leadership and support of Palomar Health Bariatric Services</td>
<td></td>
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<tr>
<td>C. SCOPE OF SERVICES</td>
<td>Physician will manage, generally supervise, and direct the medical administrative operations of the program.</td>
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<tr>
<td>PROCUREMENT METHOD</td>
<td>□ Request For Proposal  X Discretionary</td>
<td></td>
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<tr>
<td>12. TERM</td>
<td>Amendment No. 2: 1 year: January 2, 2022 to January 1, 2023</td>
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<tr>
<td>12. RENEWAL</td>
<td>None.</td>
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<td>13. TERMINATION</td>
<td>Either party may terminate this Agreement without cause upon thirty (30) days’ prior written notice.</td>
<td></td>
</tr>
<tr>
<td>FAIR MARKET VALUATION</td>
<td>□ YES □ NO – DATE COMPLETED: 12/20/2021</td>
<td></td>
</tr>
<tr>
<td>11. b) COMPENSATION METHODOLOGY</td>
<td>The Parties hereby acknowledge and agree that the compensation hereunder is the product of bona fide arms-length negotiations and represents a commercially reasonable and fair market value payment for the Services to be furnished hereunder without regard to the volume or value of the federal health care program or any other business generated by and among the Parties.</td>
<td></td>
</tr>
<tr>
<td>BUDGETED</td>
<td>□ YES □ NO – IMPACT:</td>
<td></td>
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<tr>
<td>EXCLUSIVITY</td>
<td>□ YES – EXPLAIN:</td>
<td></td>
</tr>
<tr>
<td>A. JUSTIFICATION</td>
<td>Hospital owns and operates several acute hospitals and other facilities that require physician leadership</td>
<td></td>
</tr>
<tr>
<td>AGREEMENT NOTICED</td>
<td>□ YES □ NO Methodology &amp; Response: FMV</td>
<td></td>
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<tr>
<td>COMMENTS</td>
<td>None.</td>
<td></td>
</tr>
<tr>
<td>APPROVALS REQUIRED</td>
<td>□ VP X-CFO □ CEO X-BOD-Committee – Finance; X-BOD</td>
<td></td>
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</tbody>
</table>
TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Hubert U. King, CFO

Background: The Agreement addresses the need for medical director provision specifically for Palomar Health’s Medical Perinatology/Fetal Medicine Services. Assigned Physician shall serve as medical director of the Program and shall be responsible for the medical direction of the Program and the performance of the other medical administrative services as set forth in the Agreement. Physician may perform similar duties within the scope of Physician’s responsibilities as Hospital may reasonably request to the extent permitted by applicable law. Hospital will provide Physician with a copy of its policies and procedures. Physician shall abide by all policies and procedures of the Medical Staff, provided that patient safety is not compromised and no federal, state or local laws are violated by following such policies.

Budget Impact: Budgeted

Staff Recommendation: Approval

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:
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<thead>
<tr>
<th>Section Reference</th>
<th>Term/Condition</th>
<th>Term/Condition Criteria</th>
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<tbody>
<tr>
<td>TITLE</td>
<td>The Regents of the University of California San Diego (UCSD) Perinatology Services Coverage Agreement – 02.1.22</td>
<td></td>
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<tr>
<td>AGREEMENT DATE</td>
<td>Original agreement dated 09.01.2009</td>
<td>This agreement 02.01.22</td>
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<tr>
<td>PARTIES</td>
<td>Palomar Health, a California local healthcare district, and The Regents of the University of California San Diego, (UCSD)</td>
<td></td>
</tr>
<tr>
<td>PURPOSE</td>
<td>The Regents of the University of California San Diego (UCSD) to provide onsite and on call physician Medical Director services for Palomar Health Perinatology/ Fetal Medicine services</td>
<td></td>
</tr>
<tr>
<td>SCOPE OF SERVICES</td>
<td>Medical Director shall devote as much time as reasonably necessary in performing the Medical Director services required under this agreement to ensure the proper management of the Program</td>
<td></td>
</tr>
<tr>
<td>PROCUREMENT METHOD</td>
<td>☐ Request For Proposal</td>
<td>X Discretionary</td>
</tr>
<tr>
<td>TERM</td>
<td>February 1, 2022 – January 31, 2023</td>
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<tr>
<td>RENEWAL</td>
<td>Automatic renewal with yearly review</td>
<td></td>
</tr>
<tr>
<td>TERMINATION</td>
<td>Either party may terminate this Agreement without cause, for any reason with 120 day written notice</td>
<td></td>
</tr>
<tr>
<td>FAIR MARKET VALUATION</td>
<td>X YES ☐ NO – DATE COMPLETED: MAY 31, 2022</td>
<td></td>
</tr>
<tr>
<td>COMPENSATION METHODOLOGY</td>
<td>The parties hereby acknowledge and agree that the compensation hereunder is the product of a bona fide arms-length negotiations and represents a commercially reasonable and fair market value payment for the Services to be provided hereunder without regard to the volume or value of federal health care program or any other business generated by and among the Parties</td>
<td></td>
</tr>
<tr>
<td>BUDGETED</td>
<td>X YES ☐ NO – IMPACT:</td>
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<tr>
<td>EXCLUSIVITY</td>
<td>X NO ☐ YES – EXPLAIN:</td>
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<td>JUSTIFICATION</td>
<td>Hospital owns and operates several acute hospitals and other facilities, which require physician leadership and support of the Medical Perinatology Program</td>
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<td>AGREEMENT NOTICED</td>
<td>☐ YES X No Methodology &amp; Response:</td>
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<td>ALTERNATIVES/IMPACT</td>
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<tr>
<td>Duties</td>
<td>☐ Provision for Staff Education</td>
<td>X Provision for Medical Staff Education</td>
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<td>X Provision for participation in Quality Improvement</td>
<td>☐ Provision for participation in budget process development</td>
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<td>COMMENTS</td>
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<td></td>
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<td>APPROVALS REQUIRED</td>
<td>☐ VP X-CFO ☐ CEO X- BOD Committee – Finance X BOD</td>
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Addendum to Medical Director Agreement
Respiratory/Pulmonary Services
Frank Bender, M.D.

TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Omar Khawaja, MD, MBA, Chief Medical Officer

Background: This Addendum to the Medical Director Agreement of Respiratory and Pulmonary services will include the medical directorship of Outpatient Pulmonary Rehab Services (“Program”). The Medical Director shall deliver high quality services to eligible patient participants of the outpatient pulmonary rehab program along with other medical administrative responsibilities as outlined in the agreement to the reasonable satisfaction of the Hospital to include but not limited to clinical expertise and oversight to multidisciplinary pulmonary rehab staff as required, assist with program development, communicate with Palomar Health referring physicians regarding pulmonary rehab benefits for patients, provide oversight of the ITP process to ensure regulatory compliance, assist with department education of staff and patients, provide recommendations for department policies/procedures, and monitor outcomes of key program metrics.

Budget Impact: Budgeted

Staff Recommendation:

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:
## Palomar Health – Agreement Abstract

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<td><strong>TITLE</strong></td>
<td>Addendum No. 1 to Medical Director Agreement</td>
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<td><strong>AGREEMENT DATE</strong></td>
<td>Original: September 1, 2020 Amendment No. 1: May 4, 2022</td>
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<td><strong>PARTIES</strong></td>
<td>Palomar Health and Escondido Pulmonary and Sleep Specialists, Inc. (EPSS) with respect to Frank Bender, M.D.</td>
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<td><strong>PURPOSE</strong></td>
<td>Physician leadership and support of the Respiratory/Pulmonary Program which includes the Outpatient Pulmonary Rehab medical directorship outlined in the Addendum.</td>
<td></td>
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<tr>
<td><strong>SCOPE OF SERVICES</strong></td>
<td>Physician shall serve as medical director of Program and be responsible for the medical direction of Program and performance of all other medical administrative services set forth in this Agreement, Exh. A, including medical directorship of the Outpatient Pulmonary Rehab set forth in the Addendum.</td>
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<td><strong>PROCUREMENT METHOD</strong></td>
<td>☐ Request For Proposal ☒ Discretionary</td>
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<td><strong>TERM</strong></td>
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<td><strong>RENEWAL</strong></td>
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<td><strong>FAIR MARKET VALUATION</strong></td>
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<td><strong>COMPENSATION METHODOLOGY</strong></td>
<td>Physician prepares and submits complete and accurate time logs, documenting separately all time spent providing Medical Director services for the Program.</td>
<td></td>
</tr>
<tr>
<td><strong>BUDGETED</strong></td>
<td>☒ YES ☐ NO – IMPACT:</td>
<td></td>
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<tr>
<td><strong>EXCLUSIVITY</strong></td>
<td>☒ NO ☐ YES – EXPLAIN:</td>
<td></td>
</tr>
<tr>
<td><strong>JUSTIFICATION</strong></td>
<td>Hospital owns and operates several acute hospitals and other facilities which require physician leadership and support of the Respiratory/Pulmonary Services (“Program”).</td>
<td></td>
</tr>
<tr>
<td><strong>AGREEMENT NOTICED</strong></td>
<td>☐ YES ☒ NO Methodology &amp; Response:</td>
<td></td>
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<td><strong>ALTERNATIVES/IMPACT</strong></td>
<td>N/A</td>
<td></td>
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<tr>
<td><strong>Duties</strong></td>
<td>x Provision for Staff Education x Provision for Medical Staff Education x Provision for participation in Quality Improvement x Provision for participation in budget process development</td>
<td></td>
</tr>
<tr>
<td><strong>COMMENTS</strong></td>
<td>None.</td>
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<td><strong>APPROVALS REQUIRED</strong></td>
<td>☐ VP X-CFO ☒ CEO X-BOD Committee – Finance; X-BOD</td>
<td></td>
</tr>
</tbody>
</table>
TO: Board Finance Committee

MEETING DATE: Wednesday, July 27, 2022

FROM: Sheila Brown, RN, MBA, FACHE, Chief Operations Officer

Background: Palomar Medical Center Escondido provides services for women in the North County, including OB/GYN. These women’s health programs require an Obstetrician and Gynecologist to be in-house on a 24-hour, 7 days per week, basis. OBHG will additionally assist with the development of an obstetrics emergency department at the Hospital’s facility.

This amendment expands the coverage to include a Certified Nurse Midwife to each 24-hour shift and includes an increase to the monthly stipend to cover those additional services.

Budget Impact: Budgeted

Staff Recommendation: Approval

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:
<table>
<thead>
<tr>
<th>Section Reference</th>
<th>Term/Condition</th>
<th>Term/Condition Criteria</th>
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<tbody>
<tr>
<td>TITLE</td>
<td>First Amendment to Professional Services Agreement</td>
<td></td>
</tr>
</tbody>
</table>
| AGREEMENT DATE    | Original: April 30, 2021  
1st Amendment: July 1, 2022 |
| PARTIES           | Palomar Health and OBHG California |
| PURPOSE           | To provide in-house obstetrical and gynecological coverage on a 24-hour, 7 days per week basis, as well as development of an obstetrics emergency department with 2 OB/GYNs and 1 CNM in-house 24/7 |
| SCOPE OF SERVICES | Provide in-house physician coverage for unassigned or emergent obstetric patients, provide consultative services and possible surgical services for unassigned emergent gynecologic patients; respond to all unassigned walk-in obstetrical and gynecologic calls/consults in ED or elsewhere in hospital; assist with discharge planning, including assistance with arranging for follow-up consultation |
| PROCUREMENT METHOD| ☐ Request For Proposal  
☑ Discretionary |
| TERM              | April 30, 2021 – May 1, 2024 |
| RENEWAL          | None |
| §§Sections 3.4, 3.5, 3.6 | TERMINATION | 30 days if breached; termination upon bankruptcy; termination due to violation of patient health, safety. |
| FAIR MARKET VALUATION | ☑ YES ☐ NO – DATE COMPLETED: 4/28/21 |
| COMPENSATION METHODOLOGY | Monthly |
| BUDGETED         | ☑ YES ☐ NO – IMPACT: |
| EXCLUSIVITY      | ☑ NO ☐ YES – EXPLAIN: |
| JUSTIFICATION    | |
| AGREEMENT NOTICED| ☐ YES ☐ NO Methodology & Response: |
| ALTERNATIVES/IMPACT | |
| Duties           | ☑ Provision for Staff Education  
☑ Provision for Medical Staff Education  
☑ Provision for participation in Quality Improvement  
☐ Provision for participation in budget process development |
| COMMENTS         | |
| APPROVALS REQUIRED | ☐ VP ☐ CFO ☐ CEO ☐ BOD Committee _______  
BOD |
ADDENDUM B
RESOLUTION NO. 08.08.22(01)-17

Resolution of the Board of Directors of Palomar Health Concerning the Levy and Collection of Taxes by the Board of Supervisors of the County of San Diego for Fiscal Year 2022-2023 to Pay Principal and Interest on General Obligation Bonds and Authorizing the Taking of All Actions Necessary in Connection Therewith

WHEREAS, as authorized by a ballot measure ("Measure BB"), approved by more than two-thirds of the votes cast on such ballot measure at an election held in Palomar Pomerado Health, now known as Palomar Health (the "District") on November 2, 2004, the Board of Directors of the District (the "Board of Directors") was authorized to issue $496,000,000 aggregate principal amount of general obligation bonds for the purpose of financing a portion of the hospital and health care facilities projects as referenced and described in Measure BB;

WHEREAS, in accordance with the provisions of The Local Health Care District Law of the State of California (constituting Division 23 of the California Health and Safety Code) (the "Local Health Care District Law"), the District issued:

(i) $80,000,000 aggregate principal amount of such general obligation bonds, designated as "Palomar Pomerado Health General Obligation Bonds, Election of 2004, Series 2005A" (the "Series 2005A Bonds") on July 7, 2005;

(ii) $241,083,318.80 aggregate principal amount of such general obligation bonds, designated as "Palomar Pomerado Health General Obligation Bonds, Election of 2004, Series 2007A" (the "Series 2007A Bonds") on December 20, 2007;

(iii) $110,000,000 aggregate principal amount of such general obligation bonds, designated as "Palomar Pomerado Health General Obligation Bonds, Election of 2004, Series 2009A" (the "Series 2009A Bonds") on March 18, 2009; and

(iv) $64,916,678.80 aggregate principal amount of such general obligation bonds, designated as "Palomar Pomerado Health General Obligation Bonds, Election of 2004, Series 2010A" (the "Series 2010A Bonds") on November 18, 2010;

WHEREAS, on October 27, 2016, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, the District issued:

(i) $48,520,000 aggregate principal amount of general obligation refunding bonds designated as "Palomar Health General Obligation Refunding Bonds, Series 2016A (the "Series 2016A Bonds") to refund all outstanding Series 2005A Bonds; and

(ii) $164,450,000 aggregate principal amount of general obligation refunding bonds designated as "Palomar Health General Obligation Refunding Bonds, Series 2016B (the "Series 2016B Bonds") to refund the current interest portion of the Series 2007A Bonds;
WHEREAS, as provided by the Local Health Care District Law, principal and interest on the outstanding Series 2007A Bonds, Series 2009A Bonds, Series 2010A Bonds, Series 2016A Bonds and Series 2016B Bonds as the same become due are payable from the levy and collection of ad valorem taxes within the District;

WHEREAS, pursuant to Section 32312 of the Local Health Care District Law, the Board of Supervisors of the County of San Diego (the "Board of Supervisors of the County") is required to levy and collect annually each year until the Series 2007A Bonds, Series 2009A Bonds, Series 2010A Bonds, Series 2016A Bonds and Series 2016B Bonds are paid a tax sufficient to pay the principal of and interest on such Series 2007A Bonds, Series 2009A Bonds, Series 2010A Bonds, Series 2016A Bonds and Series 2016B Bonds (collectively, the "Bonds") as the same become due and payable;

WHEREAS, in order to facilitate the levy and collection of such ad valorem taxes by the Board of Supervisors of the County as provided in Section 32312 of the Local Health Care District Law, the Board of Directors hereby notifies the Board of Supervisors of the County that principal and interest on the Bonds in the amount of $34,620,702 will become due and payable during the fiscal year commencing July 1, 2022, and ending June 30, 2023;

WHEREAS, the Board of Directors has been advised that the total net secured assessed valuation of the District is now estimated at $98,996,365,586 full value; and,

WHEREAS, also in order to facilitate the levy and collection of such ad valorem taxes by the Board of Supervisors of the County as provided in Section 32312 of the Local Health Care District Law, a rate of taxation of $37.00 for each one hundred thousand dollars' valuation of taxable property (full value) within the District for fiscal year commencing July 1, 2022, and ending June 30, 2023, is hereby established;

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Recitals. The foregoing recitals are true and correct, and this Board of Directors so finds and determines.

Section 2. Further Authorization; Ratification of Actions. The Chair of the Board of Directors, any member of the Board of Directors, the President and Chief Executive Officer of the District or any designee of the President and Chief Executive Officer of the District or the Chief Financial Officer of the District or any designee of the Chief Financial Officer of the District (each, an "Authorized District Representative") is hereby authorized and directed, for and in the name of and on behalf of the District, to do any and all things and to execute and deliver any and all documents, instruments and certificates, and to enter into any and all agreements, which such Authorized District Representative may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution. All such actions heretofore taken by any such Authorized District Representative are hereby ratified, confirmed and approved.

Section 3. Effective Date. This Resolution shall take effect from the date of adoption hereof.
PASSED AND ADOPTED by the Board of Directors of Palomar Health on the 8th day of August, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: August 8, 2022

BY:

______________________________

Linda C. Greer, RN
Chair, Board of Directors

ATTESTED:

______________________________

Terry Corrales, RN
Secretary, Board of Directors
I, Terry Corrales, RN, the Secretary of the Board of Directors of Palomar Health (the "District"), do hereby certify that the foregoing is a true copy of a resolution adopted by the District on August 8, 2022, at the time and by the vote stated above, which resolution is on file in the offices of the District.

DATED: August 8, 2022

______________________________
Terry Corrales, RN
Secretary, Board of Directors
ADDENDUM C
NARRATIVE ON THE RECENT HISTORY OF TAXATION

Palomar Health has two types of property taxes available as follows:

SPECIAL ASSESSMENT FOR GENERAL OBLIGATION BONDS


OTHER PROPERTY TAXES

A tax equal to 1% of the full cash value of property is levied each fiscal year by the county and distributed to governmental agencies within the county according to a formula mandated by the state legislature. (California Constitution Article XIII(A); Revenue and Taxation Code Section 97). The state legislature and the county place no restrictions on the tax monies granted to local government agencies, such as Palomar Health. (Part 0.5, Division 1 of the Revenue and Taxation Code.) Since these tax revenues are unrestricted, it is not necessary to inform the public regarding the intended use of the funds.

The following is a schedule reflecting our total tax revenues by fiscal year for the past forty-two years.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Received Cash Basis</th>
<th>Restricted for Bond Interest &amp; Principal</th>
<th>From Prior Year (Unrestricted) Increase (Decrease)</th>
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<td>$2,460,384</td>
<td>$445,211</td>
<td>$2,015,173</td>
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<td>1978/79</td>
<td>$1,513,554</td>
<td>518,736</td>
<td>994,818</td>
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<td>1979/80</td>
<td>$1,621,350</td>
<td>428,585</td>
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<td>1980/81</td>
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<td>1,455,941</td>
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<td>2020/21</td>
<td>$59,168,327</td>
<td>39,849,378</td>
<td>19,318,949</td>
</tr>
<tr>
<td>2021/22</td>
<td>$63,821,852</td>
<td>44,001,578</td>
<td>19,820,274</td>
</tr>
</tbody>
</table>


OTHER PROPERTY TAXES

A tax equal to 1% of the full cash value of property is levied each fiscal year by the county and distributed to governmental agencies within the county according to a formula mandated by the state legislature. (California Constitution Article XIII(A); Revenue and Taxation Code Section 97). The state legislature and the county place no restrictions on the tax monies granted to local government agencies, such as Palomar Health. (Part 0.5, Division 1 of the Revenue and Taxation Code.) Since these tax revenues are unrestricted, it is not necessary to inform the public regarding the intended use of the funds.

The following is a schedule reflecting our total tax revenues by fiscal year for the past forty-two years.
RESOLUTION NO. 08.08.22(02)-18
Resolution of the Board of Directors of Palomar Health
Establishing the Appropriations Limit of the District for
the Fiscal Year July 1, 2022 – June 30, 2023
Pursuant To Article XIII(B) of the California Constitution

WHEREAS, Government Code Section 7910 requires that each year the Board of Directors of this District shall, by resolution, establish the District’s appropriations limit for the following fiscal year pursuant to Article XIII(B) of the California Constitution; and

WHEREAS, for not less than fifteen days prior to this meeting the documentation attached hereto as Exhibit “A” used in the determination of the appropriations limit has been available to the public in accordance with Government Code 7910.

NOW THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors as follows:

Section 1. The appropriations limit of Palomar Health for fiscal year July 1, 2022 – June 30, 2023, pursuant to Article XIII(B) of the California Constitution is hereby established at $125,892,811.

Section 2. This resolution is effective immediately upon its adoption by the Board of Directors.

PASSED AND ADOPTED at the meeting of the Board of Directors of Palomar Health held August 8, 2022, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAINING:

ATTEST:

________________________________________
Linda C. Greer, RN
Chair

________________________________________
Terry Corrales, RN
Secretary
EXHIBIT "A"

PALOMAR HEALTH
APPROPRIATIONS LIMIT
2022/2023

2021/2022 APPROPRIATIONS LIMIT  $117,124,656

PRICE FACTOR  7.55%
-- OR --
CHANGE IN LOCAL ASSESSMENT ROLL DUE TO NON-RESIDENTIAL NEW CONSTRUCTION  2.82% = 1.0755
-- AND --
POPULATION FACTOR  (0.06%) = 0.9994

CALCULATION OF FACTOR FOR FY 2021/2022  1.0755 x 0.9994 = 1.0749

$117,124,656 x 1.0749 = $125,892,811

2022/2023 APPROPRIATIONS LIMIT  $125,892,811
The Board of Directors of Palomar Health will establish its Appropriations Limit for the 2022/2023 fiscal year at its regularly scheduled meeting, to be held virtually at 6:30 p.m. on Monday, August 8, 2022. This Appropriations Limit is for the unrestricted appropriations and is in no way related to the appropriations for the General Obligation Bonds issued in 2007, 2009 and 2010, or for the General Obligation Refunding Bonds issued in 2016. The documentation used in the determination of the Appropriations Limit is available to the public at the office of the President and Chief Executive Officer, 2125 Citracado Parkway, Suite 300, Escondido, CA 92029.

DATED: July 22, 2022

PALOMAR HEALTH
A California Local Healthcare District

BY: [Signature]
Diane L. Hansen
President & CEO
ADDENDUM D
VIII. Article VIII: Board Committees

B. Standing Committees. There will be the following standing committees of the Board: Finance; Governance; Audit and Compliance; Human Resources; Strategic and Facilities; Community Relations; and Quality Review. All recommendations must be ratified by the Board prior to any action taken.

1. Finance Committee.
   a. Chair. The Board Treasurer may serve as the Chair of the Board Finance Committee.
   b. Voting Membership. The Finance Committee will consist of six voting members: Three members of the Board, the President and Chief Executive Officer, and the Chief of Staff from each hospital.
   c. Role of Alternate(s).
      i. There will be three alternate Committee members.
      ii. One alternate will be a member of the Board, also appointed by the Chair of the Board who must attend Committee meetings when serving as an alternate for an absent voting Board Committee member; however, if the Board Member first alternate is also not available, another Board Member may attend as a voting member with Board Chair approval. An alternate enjoys voting rights only in the absence of a voting Board Committee member. Unless a Board member alternate enjoys voting rights, they may attend the meeting only as an observer.
      iii. The second and third alternate Committee members will be the Chiefs of Staff-Elect from each hospital, who will attend Committee meetings and enjoy voting rights on the Committee only when serving as an alternate for their respective Chief of Staff.
   d. Non-Voting Membership. The Chief Financial Officer, the Chief Operations Officer, Chief Administrative Officer, the Chief Medical Officer, the Vice President of Finance, and the Chief Nurse Executive are non-voting members.
   e. Duties. Provide oversight to determine and facilitate the financial viability of the organization through the effective establishment of sound policies and development of a system of controls to safeguard the preservation and use of assets and resources. The specific duties of the Committee will be established by separate Committee Charter, as recommended by the Committee from time-to-time and as approved by the board.
VIII. Article VIII: Board Committees

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RESOLUTION OF THE BOARD OF DIRECTORS OF PALOMAR HEALTH
AUTHORIZING THE UNDERTAKING OF A FINANCING IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $280,000,000.

WHEREAS, Palomar Health (the “District”) is a local health care district duly
organized and existing under The Local Health Care District Law, constituting Division 23 of the
Health and Safety Code of the State of California;

WHEREAS, the District proposes to finance or reimburse itself for its prior
payment of certain costs of acquisition, construction, expansion, improvement, renovation and
equipping of its health care facilities, including but not limited to construction on the 10th and 11th
floors of Palomar Medical Center Escondido, replacement of the cardiac catheterization
laboratories at Palomar Medical Center Escondido, remodeling of the Palomar Medical Center
Poway emergency room, and acquisition of other equipment (the “New Money Project”);

WHEREAS, on December 7, 2006, the North San Diego County Health Facilities
Financing Authority executed and delivered certificates of participation, evidencing an undivided
proportionate interest of the holders thereof in certain installment payments to be made by the
District (collectively, the “Series 2006 Certificates), the proceeds of which were used by the
District to pay certain costs of acquisition, construction, expansion, improvement, renovation, and
equipping of its health care facilities, to refund all of the then-outstanding Palomar Pomerado
Hospital District Insured Revenue Bonds, Series 1993, to pay the premium on an insurance policy
relating to debt service payments with respect to the Series 2006 Certificates and a surety policy
with respect to a reserve fund established for the Series 2006 Certificates, and to pay certain costs
of delivery associated with the Series 2006 Certificates;

WHEREAS, the District proposes to refund and prepay all or a portion of the Series
2006 Certificates, which currently are outstanding in the aggregate principal amount of
$130,925,000 (collectively, the “Refunding Project”);

WHEREAS, in order to facilitate such financing, reimbursement, refunding and
prepayment (hereinafter collectively referred to as the “Financing”), the District proposes to
request the assistance of the California Municipal Finance Authority (the “Authority”), which was
created pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3
and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government
Code of the State of California (the “JPA Act”);

WHEREAS, the District is the Credit Group Representative under the Master Trust
Indenture, dated as of December 1, 2006, as amended and supplemented to the date hereof; among
the District, Arch Health Partners, Inc. and U.S. Bank Trust Company, National Association, as
successor master trustee (the “Master Trustee”);
WHEREAS, the District proposes to secure its obligations with respect to the Financing by issuing one or more Master Indenture Obligations pursuant to the Master Trust Indenture;

WHEREAS, the District proposes to engage certain professionals to assist with implementation of the Financing, including Citigroup Global Markets Inc., to serve as underwriter, Kaufman, Hall & Associates, Inc., to serve as financial adviser to the District, and Orrick Herrington & Sutcliffe LLP, to serve as special financing counsel to the District;

WHEREAS, the Board of Directors desires (i) to approve the Financing for the purpose of paying the costs of the New Money Project, the Refunding Project and costs associated with the Financing, subject to the conditions identified in this Resolution, and (ii) to authorize the taking of such other actions as shall be necessary in connection with the Financing, including preparation of one or more Purchase Agreements, Installment Sale Agreements, Trust Agreements, Certificate Purchase Agreements, offering documents, Supplemental Master Trust Indentures, Master Indenture Obligations or other documents or agreements as shall be desirable to provide for and evidence the Financing, substantially final forms of which shall be presented to the Board of Directors for approval at a meeting held no later than one year from the date of this Resolution; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1.  Recitals.  The foregoing recitals are true and correct and the Board of Directors so finds and determines.

Section 2.  Authorization of Financing.  The Financing, in an aggregate principal amount not to exceed $280,000,000, is hereby authorized and approved, provided that the Financing shall not be consummated prior to the approval by the Board of Directors of substantially final forms of the Purchase Agreements, Installment Sale Agreements, Trust Agreements, Certificate Purchase Agreements, offering documents, Supplemental Trust Indentures, Master Indenture Obligations or other documents or agreements as shall be desirable to provide for and evidence the Financing.

Section 3.  Further Authorization.  The Chief Executive Officer of the District or the Chief Financial Officer of the District (each, an “Authorized District Representative”) or any designee of either thereof, acting singly, hereby is authorized and directed, for and in the name and on behalf of the District, to do any and all things and to execute and deliver any and all documents or agreements necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution.  The Secretary of the Board of Directors or an Assistant Secretary of the Board of Directors is hereby authorized to attest to any signature

4141-3445-9451.2
of the Chair of the Board of Directors or Authorized District Representative on any of the documents or agreements authorized by this Resolution.

Section 4. Professional Services. Citigroup Global Markets Inc. shall serve as underwriter with respect to the Financing. Kaufman, Hall & Associates, Inc. shall serve as financial advisor to the District in connection with the Financing. Orrick, Herrington & Sutcliffe LLP shall serve as special financing counsel to the District in connection with the Financing. Either Authorized Representative is hereby authorized and directed to enter into agreements with such firms for such services.

Section 5. Ratification of Actions. All actions heretofore taken by the officers and agents of the District, including, without limitation, the Chair of the Board of Directors and each Authorized District Representative or any designee thereof with respect to the Financing are hereby ratified, confirmed and approved.

Section 6. Effective Date. This Resolution shall take effect from and after its adoption.
PASSED AND ADOPTED by the Board of Directors of Palomar Health on the 8th day of August, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

Dated: August 8, 2022.

By: ___________________________
    Linda C. Greer, RN
    Chair, Board of Directors
    Palomar Health

Attested:

________________________________________
Terry Corrales, RN
Secretary, Board of Directors