



Executive Officer's Report

To: Commissioners

Javier Moreno, Chair (City)
Robert Amparano, (City)
Jesus E. Escobar, Vice-Chair (County)
Michael W. Kelley (County)
David Salgado (Public)

Alternate Commissioners

Ramon Castro (City)
John Hawk (County)
Jose Landeros (Public)

From: Steve Walker, Legal Counsel 

Date: July 15, 2024

Item #: 9a

Subject: Update on the Imperial Valley Healthcare District and AB 918

Date: July 25, 2024

Time: 08:30 a.m.

Location: El Centro City Council Chambers
1275 Main Street, El Centro, CA 92243

Recommendation by the Executive Officer

Option #1: Commence the dissolution of the Heffernan Memorial Healthcare District pursuant to Assembly Bill 918 with a dissolution date of July 25, 2024, as recommended by the Imperial Valley Healthcare District.

Commence the dissolution of the Pioneers Memorial Healthcare District pursuant to Assembly Bill 918 with a dissolution date of December 1, 2024, as recommended by the Imperial Valley Healthcare District.

Option #2: Commence the dissolution of the Heffernan Memorial Healthcare District pursuant to Assembly Bill 918 with a dissolution date as revised by the Commission.

Commence the dissolution of the Pioneers Memorial Healthcare District pursuant to Assembly Bill 918 with a dissolution date as revised by the Commission.

Option #3: Provide direction to staff.

Assembly Bill 918

Assembly Member Eduardo Garcia introduced Assembly Bill 918 on February 14, 2023. The bill was amended several times, and on October 8, 2023, the governor approved Assembly Bill 918, adding Chapter 11 (commencing with Section 34299.5.) to Division 23 of the Health and Safety Code, forming the Imperial Valley Healthcare District. The bill took effect immediately as an urgent statute.

The bill requires the dissolution of the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District by January 1, 2025.

Chapter 11, section 32499.6.

(5) (A) The initial board of directors shall recommend to the Imperial County LAFCO a date for the dissolution of the Pioneers Memorial Healthcare District. The dissolution date shall be between July 1, 2024, and January 1, 2025. The initial board of directors may recommend a date that differs from the dissolution date of the Heffernan Memorial Healthcare District.

(B) The initial board of directors shall recommend to the Imperial County LAFCO a date for the dissolution of the Heffernan Memorial Healthcare District. The dissolution date shall be between July 1, 2024, and January 1, 2025. The initial board of directors may recommend a date that differs from the dissolution date of the Pioneers Memorial Healthcare District.

Chapter 11, section 32499.95.

(a) Upon receipt of the recommendation from the Board of Directors of the Imperial Valley Healthcare District pursuant to paragraph (5) of subdivision (c) of Section 32499.6, the Imperial County Local Agency Formation Commission (LAFCO) shall determine the appropriate dates to dissolve the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District. The Imperial County LAFCO may decide on different dissolution dates for the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District. The Imperial County LAFCO shall dissolve the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District by January 1, 2025.

(b) The Imperial Valley Healthcare District shall be the successor to the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District. Effective on the respective date of their dissolution, all assets, rights, and responsibilities of the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District are transferred to the Imperial Valley Healthcare District. As of the effective date of the dissolution, the Imperial Valley Healthcare District shall have ownership, possession, and control of all books, records, papers, offices, equipment, supplies, moneys, funds, appropriations, licenses, permits, entitlements, agreements, contracts, claims, judgments, land, and other assets and property, real or personal, owned or leased by, connected with the administration of, or held for the benefit or use of the Heffernan Memorial Healthcare District or Pioneers Memorial Healthcare District. Accounts payable and all other contract obligations shall be transferred to the Imperial Valley Healthcare District.

Imperial Valley Healthcare District Formation (IVHD)

The IVHD was formed pursuant to Chapter 11 (commencing with Section 32499.5.) of Division 23 of the Health and Safety Code.

Summary

LAFCO staff have been in regular contact with representatives of the Imperial Valley Healthcare District. Below is a summary of updates on the status of IVHD and the next steps necessary to meet compliance with Assembly Bill 918.

1. The Imperial Valley Healthcare District is formed with an entire Board of Directors.
2. The Imperial Valley Healthcare District has legal counsel.
3. The Imperial Valley Healthcare District, on June 13, 2024, adopted Resolution No. 2024-01 establishing voting districts.
4. The Imperial Valley Healthcare District, on June 13, 2024, adopted Resolution No. 2024-02 determining the terms that will be proposed for the Acquisition of the El Centro Regional Medical Center.
5. The Imperial Valley Healthcare District, on June 13, 2024, adopted Resolution No. 2024-03 recommending the Imperial LAFCO to dissolve the Heffernan Memorial Healthcare District on October 1, 2024.
6. The Imperial Valley Healthcare District, on June 13, 2024, adopted Resolution No. 2024-04 recommending the Imperial LAFCO to dissolve the Pioneers Memorial Healthcare District on December 1, 2024.
7. The Imperial Valley Healthcare District, on July 11, 2024, adopted Resolution No. 2024-03A recommending the Imperial LAFCO to dissolve the Heffernan Memorial Healthcare District on July 25, 2024.

Recommendation by the Executive Officer

Option #1: Commence the dissolution of the Heffernan Memorial Healthcare District pursuant to Assembly Bill 918 with a dissolution date of July 25, 2024, as recommended by the Imperial Valley Healthcare District.

Commence the dissolution of the Pioneers Memorial Healthcare District pursuant to Assembly Bill 918 with a dissolution date of December 1, 2024, as recommended by the Imperial Valley Healthcare District.

Option #2: Commence the dissolution of the Heffernan Memorial Healthcare District pursuant to Assembly Bill 918 with a dissolution date as revised by the Commission.

Commence the dissolution of the Pioneers Memorial Healthcare District pursuant to Assembly Bill 918 with a dissolution date as revised by the Commission.

Option #3: Provide direction to staff.

Exhibit A: Assembly Bill No. 918
Exhibit B: IVHD Resolution 2024-01
Exhibit C: IVHD Resolution 2024-02
Exhibit D: IVHD Resolution 2024-03
Exhibit E: IVHD Resolution 2024-04
Exhibit F: IVHD Resolution 2024-03A

CC's: Heffernan Memorial Healthcare District (HMHD)
Pioneers Memorial Healthcare District (PMHD)
El Centro Regional Medical Center (ECRMC)
County of Imperial, CEO & Board of Supervisors
City of El Centro, City Manager

EXHIBIT A

Assembly Bill No. 918



AB-918 Health care district: County of Imperial. (2023-2024)

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Date Published: 10/10/2023 09:00 PM

Assembly Bill No. 918

CHAPTER 549

An act to add Chapter 11 (commencing with Section 32499.5) to Division 23 of the Health and Safety Code, relating to health care districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 08, 2023. Filed with Secretary of State October 08, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 918, Garcia. Health care district: County of Imperial.

Existing law, the Local Health Care District Law, authorizes the organization and incorporation of local health care districts and specifies the powers of those districts, including, among other things, the power to establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities; or other health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district.

This bill would form a local health care district in the County of Imperial, designated as the Imperial Valley Healthcare District, that includes all of the County of Imperial. The bill would require the initial board of directors of the Imperial Valley Healthcare District to be appointed from and by specified bodies, including among others, the Imperial County Board of Supervisors, the Pioneers Memorial Healthcare District Board of Directors, and the Heffernan Memorial Healthcare District Board of Directors. The bill would require the initial board of directors to recommend a permanent funding source mechanism to be presented to and approved by voters via ballot measure. The bill would require the initial board of directors to enter negotiations with El Centro Regional Medical Center to decide the terms of the acquisition of the hospital. The bill would require the initial board of directors to finalize the terms of the acquisition by November 5, 2024. The bill would require the City of El Centro to negotiate in good faith with the Imperial Valley Healthcare District. The bill would require the board of directors to hold a minimum of 3 public meetings between the effective date of the bill and January 1, 2025, as specified. The bill would require the board of directors to recommend to the Imperial County Local Agency Formation Commission (LAFCO) dates for the dissolutions of the Pioneers Memorial Healthcare District and Heffernan Memorial Healthcare District and would authorize the board to recommend separate dates for each district's dissolution. The bill would require, by January 1, 2025, the Imperial County LAFCO to dissolve the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District and would transfer the assets, rights, and responsibilities of the dissolved districts to the Imperial Valley Healthcare District. The bill would require, until the dissolution of both of those districts, the Heffernan Memorial Healthcare District to hold a temporary clerical role for the Board of Directors of the Imperial Valley Healthcare District, as specified. The bill would extend the terms of the board members of the districts being dissolved until their respective dissolution date or

January 1, 2025, whichever occurs first. Following the appointment of the board of directors, the bill would require the board of directors to adopt a resolution to divide the Imperial Valley Healthcare District into voting districts for the purpose of electing members of the board of directors from and by the electors of those voting districts beginning with the next district election occurring after January 1, 2024. The bill would require the Imperial Valley Healthcare District to annually report to the Imperial County LAFCO regarding health care service provision in the district in 2024 and 2025, as specified. The bill would require the Imperial County LAFCO to conduct a municipal service review regarding health care service provision in the district by December 31, 2026, and by December 31 every 5 years thereafter. By imposing new duties on the City of El Centro and the County of Imperial, the bill would impose a state-mandated local program.

This bill would state the intent of the Legislature that the Imperial Valley Healthcare District maximize the use of its assets to provide direct health care services to individuals within the district, as specified.

This bill would make legislative findings and declarations as to the purpose of the bill and the necessity of a special statute for the County of Imperial.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares the following:

(a) El Centro Regional Medical Center is a 161-bed hospital located in the Imperial Valley, which is located in southern County of Imperial by the Mexico-California border. El Centro is the largest city in the County of Imperial. El Centro Regional Medical Center is the largest hospital in Imperial County, predominantly serving a significant immigrant population and low-income community.

(b) El Centro Regional Medical Center employs 875 people. The hospital provides a range of quality services, such as cardiopulmonary, laboratory, pediatrics, telemedicine, emergency services, surgical care, mental health, rehabilitation, intensive care, radiology, oncology, hematology, and women's health services. El Centro Regional Medical Center recently had to shut down its maternity ward in order to stay financially afloat.

(c) El Centro Regional Medical Center is 92 percent seismically compliant. It is the only hospital in the County of Imperial that has initiated construction to meet seismic compliance standards.

(d) Eighty-two percent of El Centro Regional Medical Center's patient payer base is Medi-Cal and Medicare. The hospital is in substantial debt, most of which was accrued from seismic retrofitting.

(e) Pioneers Memorial Hospital is a 107-bed hospital located in the Imperial Valley, in southern County of Imperial near the Mexico-California border. The hospital provides important acute care and emergency services in a predominately farmworker, immigrant, Spanish-speaking community where the nearest alternative hospital can be up to an hour away during regularly congested commutes due to proximity to the border.

(f) Pioneers Memorial Hospital employs 750 people. It provides a range of quality medical services, including birthing centers, cardiopulmonary services, pediatrics, intensive care units, neonatal intensive care units, emergency services, laboratory, radiology, respiratory therapy, and surgical care.

(g) Pioneers Memorial Hospital is under the jurisdiction of the Pioneers Memorial Healthcare District, which is facing negative budget deficiencies. The Pioneers Memorial Healthcare District recently had its credit rating downgraded three notches to "B" amid ongoing operational challenges. The hospital is in substantial debt.

(h) Pioneers Memorial Hospital is not seismically compliant. This hospital must be seismically compliant by the year 2030. Engineering reports show that the main hospital building and administrative wing would have to be entirely rebuilt for seismic compliance resulting in extremely escalating costs.

(i) Heffernan Memorial Healthcare District is located in the City of Calexico. Its acute care hospital closed in 1998, leaving the Imperial Valley with only two hospitals.

(j) Rural hospitals have been identified in various reports as hospitals that are most at risk of closing.

(k) There have been two unsuccessful separate attempts to establish a countywide health care district in the Imperial Valley through the local process. The most recent attempt being in 2014.

(l) The closure of any hospital in the County of Imperial burdens the hospitals and healthcare systems in surrounding regions like that of the Counties of San Diego and Riverside. Patients who are not able to receive medical care will have to commute 2.5 hours to cities like San Diego or Riverside.

(m) Both El Centro Regional Medical Center and Pioneers Memorial Hospital have received \$28 million each from the Distressed Hospital Loan Program demonstrating the dire financial situation the only two existing hospitals in the County of Imperial are facing. Funds from this program may be used for the Imperial Valley Healthcare District.

(n) If El Centro Regional Medical Center and Pioneers Memorial Hospital are combined into a single hospital across two campuses under the Imperial Valley Healthcare District, they could qualify as a sole community hospital. As a sole community hospital, both hospitals would likely receive an increase in Medicare reimbursement of several millions of dollars per year.

(o) The establishment of the Imperial Valley Healthcare district will result in multimillions of dollars in savings to the Imperial Valley Healthcare District through the coordination of medical services, combined economies of scale of the prior health care districts, including having a single governing body and hospital administration, clinical integration, unified contracting and supplies management, and an integrated medical system. The Imperial Valley has voiced its support for a countywide integrated health care entity to more efficiently advocate, address, and alleviate the various health care disparities that exist.

(p) It is necessary to permit the formation of the Imperial Valley Healthcare District for the above-described purposes.

SEC. 2. Chapter 11 (commencing with Section 32499.5) is added to Division 23 of the Health and Safety Code, to read:

CHAPTER 11. Imperial Valley Healthcare District

32499.5. (a) A local health care district designated as the Imperial Valley Healthcare District is hereby formed within the County of Imperial. All other provisions of this division shall apply to the Imperial Valley Healthcare District following its formation, except as provided in this chapter.

(b) The territory of the district shall include all of the County of Imperial, including those areas under the jurisdiction of the Pioneers Memorial Healthcare District and the Heffernan Memorial Healthcare District.

(c) Following the formation of the district, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code) governs any change of organization.

(d) As used in this chapter, "district" means the Imperial Valley Healthcare District.

32499.6. (a) (1) The initial board of directors of the district shall be composed of the following members:

(A) One member from and appointed by the Pioneers Memorial Healthcare District Board of Directors.

(B) One member from and appointed by the Heffernan Memorial Healthcare District Board of Directors.

(C) One member from the City of El Centro and appointed by the public health director for the County of Imperial. This member shall be a resident of the City of El Centro, but not a City of El Centro employee, an elected official of the City of El Centro, or an employee or board member or former board member of the El Centro Regional Medical Center.

(D) One member of the public appointed by the Imperial County Board of Supervisors. This member shall be a resident of the unincorporated areas in the areas of Seely or Ocotillo, or a county board supervisor that represents that area.

(E) One tribal member from and appointed by the Quechan tribe. If a member is not appointed by the tribe within the 60-day timeframe, then the county board of supervisors may appoint a member of the public from the Winterhaven area.

(F) One member from the City of Imperial and appointed by the City of Imperial.

(G) One member from the City of Holtville and appointed by the City of Holtville.

(2) With the exception of the Pioneers Memorial Healthcare District and Heffernan Memorial Healthcare District appointments, any member appointed to the initial Imperial Valley Healthcare District Board of Directors cannot be current or former employees of the El Centro Regional Medical Center, the Pioneers Memorial Hospital, or Pioneers Memorial Healthcare District.

(b) The appointing bodies shall have 60 days from the effective date of this chapter to appoint members of the initial board of directors. If a board position is not filled within this timeframe, the Imperial County Board of Supervisors shall appoint the remaining members of the initial board of directors.

(c) (1) The initial board of directors, appointed pursuant to this section, shall create a staggered board of directors by choosing a number of board members to remain on the board following the first district election occurring pursuant to subdivision (a) of Section 32499.7.

(2) The initial board of directors, in collaboration with the Imperial County Local Agency Formation Commission (LAFCO), shall determine the years that the voting districts and associated board positions will be up for election by July 1, 2024.

(3) The initial board of directors shall recommend a permanent funding source mechanism to be presented to and approved by voters via ballot measure. The funding source mechanism shall be placed on the ballot for the March 2024 or November 2024 election. The initial board of directors, in collaboration with the Imperial County LAFCO, shall use the financial feasibility studies conducted by the Imperial County LAFCO and Kaufman Hall to determine the funding source mechanism.

(4) (A) The initial board of directors shall enter negotiations with the El Centro Regional Medical Center to decide the terms of the acquisition of the hospital. Upon reviewing the financial feasibility studies conducted by the Imperial County LAFCO and Kaufman Hall and confirming the financial viability of integrating the El Centro Regional Medical Center into the district, the initial board of directors shall determine the terms of the acquisition of the hospital. If the initial board of directors chooses to acquire the El Centro Regional Medical Center, the hospital shall be acquired with all of its assets and liabilities. All existing hospital licenses and certifications of the Pioneers Memorial Hospital and Healthcare District shall be transferred to the Imperial Valley Healthcare District when applicable in order to avoid a disruption in providing health care services. The initial board of directors shall initiate the process of applying for any licenses and certifications that cannot be transferred to the Imperial Valley Healthcare District within a year of formation. The initial board of directors shall finalize the terms of acquiring the hospital by November 5, 2024. The City of El Centro shall negotiate in good faith with the district, but is not required to sell the hospital to the district or agree to the terms that the initial board of directors finalizes.

(B) The terms of the acquisition shall include the district or any successor entity assuming the duties and obligations of El Centro Regional Medical Center's collective bargaining agreements and retirement plans, at the El Regional Medical Center. This paragraph does not require any successor entity to adopt the collective bargaining agreement and retirement plan across to other facilities owned by the same operator.

(5) (A) The initial board of directors shall recommend to the Imperial County LAFCO a date for the dissolution of the Pioneers Memorial Healthcare District. The dissolution date shall be between July 1, 2024, and January 1, 2025. The initial board of directors may recommend a date that differs from the dissolution date of the Heffernan Memorial Healthcare District.

(B) The initial board of directors shall recommend to the Imperial County LAFCO a date for the dissolution of the Heffernan Memorial Healthcare District. The dissolution date shall be between July 1, 2024, and January 1, 2025. The initial board of directors may recommend a date that differs from the dissolution date of the Pioneers Memorial Healthcare District.

(6) The board of directors shall hold a minimum of three public meetings between the effective date of this chapter and January 1, 2025, as follows:

(A) During the first public meeting, the board of directors shall inform the public of the establishment of the Imperial Valley Healthcare District, the cost savings of having one countywide health care district, and the findings of the financial feasibility studies conducted by the Imperial County LAFCO and Kaufman Hall. The first public meeting shall be held by March 1, 2024.

(B) During the second public meeting, the board of directors shall inform the public of the recommended permanent funding source mechanism for the Imperial Valley Healthcare District.

(C) During the third public meeting, the board of directors shall inform the public about the acquisition of the El Centro Regional Medical Center.

(D) If the board of directors votes to acquire the El Centro Regional Medical Center, the board of directors shall hold a fourth meeting. During this meeting, the board of directors shall disclose the terms of the acquisition to the public and present a financial plan to finance the acquisition and ongoing operations of hospitals in the district.

(E) At each public meeting held pursuant to this paragraph, the board of directors shall allow time for public comment.

(d) (1) Until both the Heffernan Memorial Healthcare District and Pioneers Memorial Healthcare District are dissolved, the Heffernan Memorial Healthcare District shall hold a temporary clerical role to the Board of Directors of the Imperial Valley Healthcare District.

(2) For purposes of this subdivision, Heffernan Memorial Healthcare District's clerical responsibilities shall be limited to:

(A) Providing administrative employees or the financial means to hire administrative employees.

(B) Providing financial resources to complete clerical tasks for board meetings and public meetings. These tasks include:

(i) Creating agendas for public meetings and board meetings.

(ii) Setting meeting locations, dates, and times.

(iii) Upon direction of the Board of Directors of the Imperial Valley Healthcare District and the Imperial County LAFCO, ensuring the transfer of the existing health care districts into the Imperial Valley Healthcare District with minimal interruptions to ongoing health care services.

(C) Providing a venue for the board meetings and public meetings to take place or providing the financial means for a venue.

(D) Providing the financial means to hire legal counsel.

(3) It is the intent of the Legislature that Heffernan Memorial Healthcare District will hold a purely clerical role to the Board of Directors of the Imperial Valley Healthcare District. It is further the intent of the Legislature that Heffernan Memorial Healthcare District will not hold a CEO or CFO role.

(e) The board of directors shall consist of all elected members by the conclusion of the 2028 general election.

(f) A vacancy in a board position shall be filled by the methods prescribed in Section 1780 of the Government Code, and, after the board of directors consists of all elected members, shall be filled by the methods prescribed in Section 32499.7.

(g) (1) The board of directors may establish a nonvoting community advisory committee consisting of at least seven community members of the County of Imperial in the health care industry, including:

(A) A member with an active medical license who is employed by a hospital or clinic in the County of Imperial.

(B) A promotor or promotora.

(C) A health care worker from a federally qualified health center in the County of Imperial.

(D) A member from a health related or environmental justice nonprofit group in the County of Imperial.

(2) The nonvoting advisory board may be dissolved at the discretion of the board of directors.

32499.7. (a) (1) Following appointment, the Board of Directors of the Imperial Valley Healthcare District, notwithstanding Section 32100.1, shall adopt a resolution to divide the district into seven voting districts, number the voting districts consecutively, and elect members of the board of directors by voting district beginning with the next district election occurring after January 1, 2024.

(2) The board of directors shall collaborate with the Imperial County Local Agency Formation Commission to establish the voting districts.

(b) In establishing the voting districts described in subdivision (a), the board of directors shall provide for representation in accordance with demographic, including population, and geographic factors of the entire area of the district. The board of directors shall fix the time and place and give public notice for a hearing on the proposed establishment of the voting districts, at which any elector of the district may present their views and plans in relation to the proposed division, but the board of directors shall not be bound thereby and their decision, in the resolution adopted, shall be final.

(c) The resolution adopted pursuant to subdivision (a) shall declare the voting districts and describe the boundaries of each voting district.

(d) The voting districts described in subdivision (a) and any necessary procedures for implementing the election of the board of directors by voting districts shall be established and implemented on or before July 1, 2024.

(e) The voting districts established pursuant to this section shall be effective for subsequent district elections, commencing with the next district election occurring after January 1, 2024. At the expiration of the terms of office of the members of the board of directors then in office, and thereafter, these members of the board of directors shall be elected by voting districts. One member of the board of directors shall be elected by the electors of each of the voting districts. A person shall not be eligible to hold the office of member of the board of directors unless they have been a resident of the voting district from which they are elected for 30 days next preceding the date of the election. A member of the initial board of directors, appointed pursuant to Section 32499.6, shall not be eligible to become an elected board member of the district for the first round of elections for each respective board seat.

(f) A vacancy upon the board that results in a voting district left unrepresented prior to the expiration of the term of that board position shall be filled by appointment of the remaining members of the board of directors. A member of the board of directors appointed pursuant to this subdivision shall be a resident of the voting district left unrepresented on the board of directors.

32499.8. (a) The district shall make annual reports to the Imperial County Local Agency Formation Commission (LAFCO), by December 31, 2024, and December 31, 2025, regarding health care service provision within the boundaries of the district, using the indices outlined in paragraphs (1) to (6), inclusive, of subdivision (a) of Section 56430 of the Government Code.

(b) By December 31, 2026, and by December 31 every five years thereafter, the Imperial County LAFCO shall conduct a municipal service review regarding health care service provision within the boundaries of the district pursuant to Section 56430 of the Government Code.

32499.9. It is the intent of the Legislature that the Imperial Valley Healthcare District maximize the use of its assets to provide direct health care services to individuals within the district through direct operation of or funding provided to organizations that own or operate hospitals, medical clinics, ambulance services, transportation programs for seniors or persons with disabilities, wellness centers, health education services, promotoras, mental health services, veterans' health services, and other similar services.

32499.95. (a) Upon receipt of the recommendation from the Board of Directors of the Imperial Valley Healthcare District pursuant to paragraph (5) of subdivision (c) of Section 32499.6, the Imperial County Local Agency Formation Commission (LAFCO) shall determine the appropriate dates to dissolve the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District. The Imperial County LAFCO may decide on different dissolution dates for the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District. The Imperial County LAFCO shall dissolve the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District by January 1, 2025.

(b) The Imperial Valley Healthcare District shall be the successor to the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District. Effective on the respective date of their dissolution, all assets,

rights, and responsibilities of the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District are transferred to the Imperial Valley Healthcare District. As of the effective date of the dissolution, the Imperial Valley Healthcare District shall have ownership, possession, and control of all books, records, papers, offices, equipment, supplies, moneys, funds, appropriations, licenses, permits, entitlements, agreements, contracts, claims, judgments, land, and other assets and property, real or personal, owned or leased by, connected with the administration of, or held for the benefit or use of the Heffernan Memorial Healthcare District or Pioneers Memorial Healthcare District. Accounts payable and all other contract obligations shall be transferred to the Imperial Valley Healthcare District.

(c) The terms of the board members of the Pioneers Memorial Healthcare District and the Heffernan Memorial Healthcare District serving as of the effective date of this chapter are extended until January 1, 2025, or until each respective district is dissolved, whichever occurs first.

SEC. 3. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique community needs in the County of Imperial that would be served by the formation of the Imperial Valley Healthcare District to include all of the County of Imperial to provide health care services for an underserved population that suffers from a higher than average prevalence of preventable disease.

SEC. 4. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

The imminent financial collapse of the El Centro Regional Medical Center is a serious threat to the public health and safety of the residents of the region, as it is one of two hospitals serving the County of Imperial and the only hospital serving the City of El Centro and surrounding area. One countywide health care district will facilitate the coordination of medical services and provide immediate cost-saving benefits to the Imperial Valley Healthcare District through the combined economies of scale of the prior health care districts, including having a single governing body and hospital administration, a single medical staff, financial and clinical integration, unified contracting and supplies management, and an integrated medical system. In order to allow local officials the opportunity to acquire the El Centro Regional Medical Center to stabilize access to health care and to continue ongoing emergency medical services in one of California's most underserved communities at the earliest time possible, it is necessary that this act take effect immediately.

EXHIBIT B

IVHD Resolution 2024-01

RESOLUTION NO. 2024 - 01

RESOLUTION OF THE BOARD OF DIRECTORS OF IMPERIAL VALLEY HEALTHCARE DISTRICT ESTABLISHING VOTING DISTRICTS PURSUANT TO HEALTH AND SAFETY CODE SECTION 32499.7, AS ADDED BY CALIFORNIA ASSEMBLY BILL 918 (2023)

WHEREAS, Imperial Valley Healthcare District (“IVHD”) is a California healthcare district established by the California Legislature pursuant to Assembly Bill 918 (2023), Health and Safety Code section 32499.5 *et seq.*, that is duly organized and existing under the laws of the State of California;

WHEREAS, Health and Safety Code section 32499.7 provides that on or before July 1, 2024, the IVHD Board of Directors (“Board”) shall adopt a resolution to divide the district into seven voting districts, number the voting districts consecutively, and elect members of the Board by voting district beginning with the next district election occurring after January 1, 2024;

WHEREAS, the Board contracted with National Demographics Corporation to assist the Board with gathering demographic and other data about Imperial County, providing information to the community at public hearings, and creating voting district maps for the Board’s consideration;

WHEREAS, in accordance with Elections Code section 10010(a)(1), before drawing the draft map or maps of the proposed voting districts, the Board held public hearings on April 11, 2024 and April 25, 2024, at which the public was invited to provide input regarding the composition of the districts;

WHEREAS, in accordance with Elections Code section 21130(b), IVHD conducted an analysis to determine whether is possible to create an election district or districts in which a minority group is sufficiently large and geographically compact to constitute a majority in a single-member district, and published the analysis on the IVHD website on May 16, 2024;

WHEREAS, in accordance with Elections Code section 10010(a)(2) and Health and Safety Code section 32499.7(b), IVHD published three draft maps and the potential sequence of elections for purpose of staggered terms of office on the IVHD website on May 2, 2024, and published a fourth draft map on May 16, 2024, and;

WHEREAS, the Board held two additional public hearings on May 9, 2024 and June 13, 2024, at which the public was invited to provide input regarding the content of the draft map and the proposed sequence of elections;

WHEREAS, in accordance with Health and Safety Code section 32499.7(a)(2), IVHD through its Board members, legal counsel, and consultant collaborated with the Imperial County Local Agency Formation Commission in establishing the voting districts; and

WHEREAS, this Board now desires to fulfill its obligations under Health and Safety Code section 32499.7 by adopting this resolution establishing voting districts for IVHD, which

shall be effective for subsequent IVHD elections, commencing with the next statewide general election occurring on November 5, 2024.

NOW, THEREFORE, this Board of Directors of IVHD does hereby find, resolve, and order as follows:

Section 1. The seven voting districts of IVHD and their geographic boundaries, as set forth in the map attached hereto as Exhibit A (and known as map Green B), are hereby approved and adopted and shall be used for subsequent elections. The voting districts provide for voter representation in accordance with demographic, including population, and geographic factors of the entire area of IVHD. (Health & Saf. Code, § 32499.7(b).)

Section 2. One member of the Board shall be elected by the electors of each of the voting districts. A person shall not be eligible to hold the office of member of the Board unless they have been a resident of the voting district from which they are elected for thirty (30) days next preceding the date of the election. A member of the initial Board, appointed pursuant to Health and Safety Code section 32499.6, shall not be eligible to become an elected Board member for the first round of elections for each respective Board seat. (Health & Saf. Code, § 32499.7(e).)

Section 3. Board members appointed pursuant to subdivisions (A), (B), and (C) of Health and Safety Code section 32499.6(a)(1) shall hold office until their successor is elected and takes office as a result of the general election occurring in November of 2026. Board members appointed pursuant to subdivisions (D), (E), (F), and (G) of Health and Safety Code section 32499.6(a)(1) shall hold office until their successor is elected and takes office as a result of the general election occurring in 2028. (Health & Saf. Code, § 32499.6(c)(1).)

Section 4. Board seats in voting districts 1, 2, and 3 shall be up for election at the general election occurring in November 2026. Board seats in voting districts 4, 5, 6, and 7 shall be up for election at the general election occurring in November 2028. Board member terms of office shall be four years. (Health & Saf. Code, § 32100.) The Board of Directors shall consist of all elected members by the conclusion of the 2028 general election.

Section 5. Within twenty one (21) days from the date of this resolution, National Demographics Corporation is directed and authorized to issue a report in accordance with Elections Code section 21130(f) that explains the basis on which the Board made its decisions in achieving compliance with the Fair And Inclusive Redistricting for Municipalities And Political Subdivisions (FAIR MAPS) Act of 2023, Elections Code section 21100 *et seq.* (Elec. Code, § 21130(f).)

Section 6. Adriana S. Ochoa, as legal counsel for IVHD, or her designee(s), acting alone or together, is(are) hereby authorized and directed to take or cause to be taken all such other actions as may be required to fulfill the purposes of this resolution. If necessary to facilitate the implementing of this resolution, Ms. Ochoa or her designee is authorized to make technical adjustments as necessary to the district boundaries that do not substantively affect the population in the voting areas, and shall report to the Board regarding any such adjustments.

Section 7. This resolution shall take effect immediately upon its adoption.

IT IS SO RESOLVED. PASSED, ADOPTED AND SIGNED ON THIS 13TH DAY OF JUNE, 2024.

SECRETARY'S CERTIFICATE

I, Arturo Proctor, Secretary of the Board of Directors of Imperial Valley Healthcare District, a California healthcare district, County of Imperial, California, hereby certify as follows:

The attached is a full, true, and correct copy of the resolution(s) duly adopted at a meeting of the Board of Directors of Imperial Valley Healthcare District, which was duly held on June 13, 2024 at which meeting a quorum of the members of the Board of Directors was present; and at such meeting such resolution(s) was/were adopted by the following vote: **7-0**

AYES: **Garcia (M), Medart Jr. (second), Burnworth, Goodsell, Proctor,**

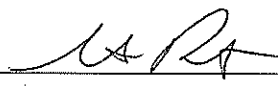
NOES: **— Berker, Valdez**

ABSTAIN: **—**

ABSENT: **—**

I have carefully compared the same with the original minutes of such meeting on file and of record in my office; the attached resolution is a full, true, and correct copy of the original resolution adopted at such meeting and entered in such minutes; and such resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 13th day of June, 2024

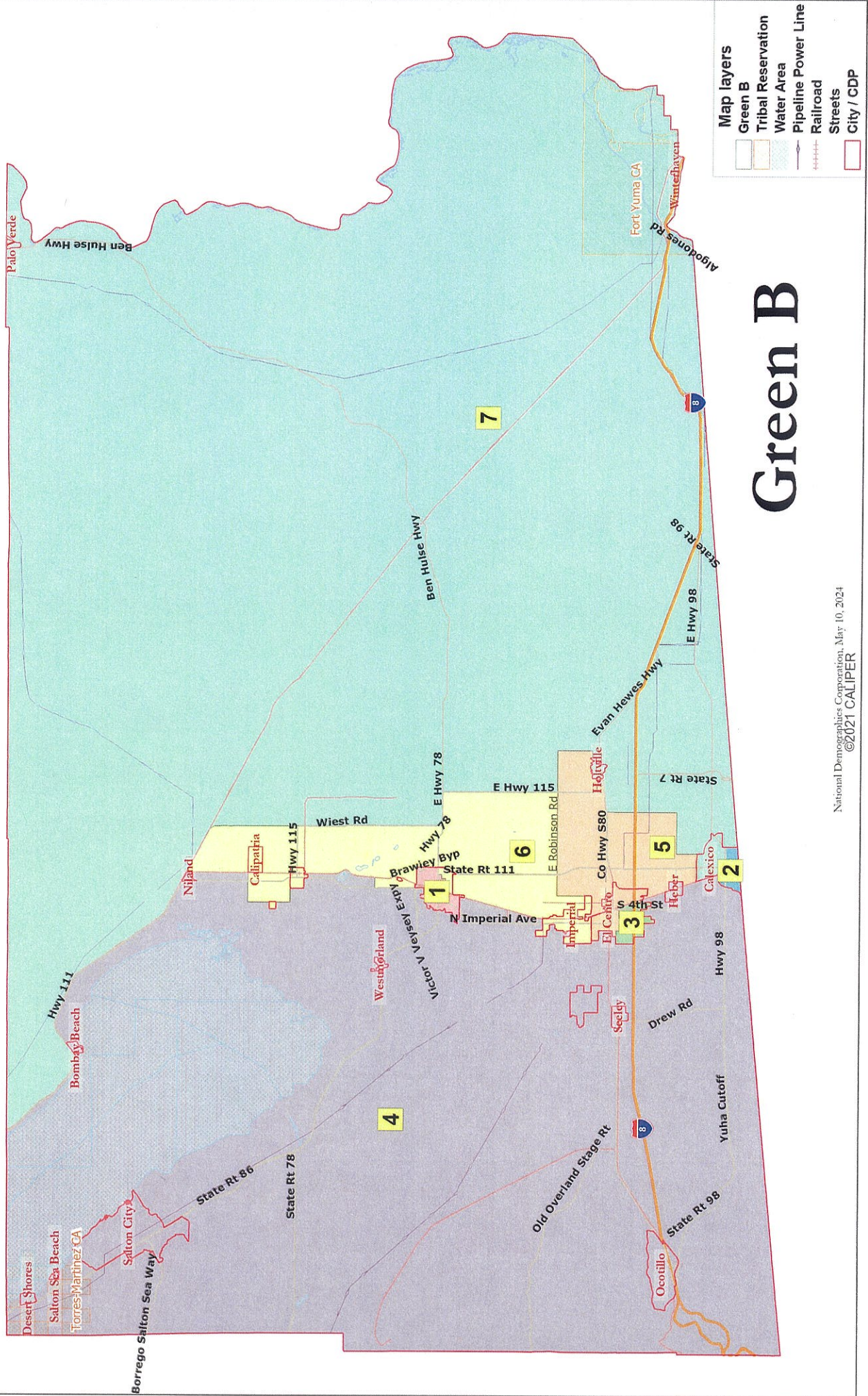


Secretary
Imperial Valley Healthcare District

EXHIBIT A

[VOTING DISTRICT MAP]

Imperial Valley Health Care District 2024 Districting



Green B

Green B									
District		1	2	3	4	5	6	7	Total
	Total Pop	25,445	24,233	24,346	24,737	23,597	25,451	25,817	173,626
	Deviation from ideal	641	-571	-458	-67	-1,207	647	1,013	2,220
	% Deviation	2.58%	-2.30%	-1.85%	-0.27%	-4.87%	2.61%	4.08%	8.95%
Total Pop	% Hisp	85.8%	98%	84%	81%	89%	84%	82%	86%
	% NH White	11%	1%	11%	15%	7%	11%	9%	9%
	% NH Black	1%	0%	2%	1%	2%	2%	0%	1%
	% Asian-American	1%	1%	2%	1%	1%	2%	2%	1%
Citizen Voting Age Pop	Total	14,339	12,292	14,665	15,864	12,323	14,918	13,702	98,104
	% Hisp	77%	98%	81%	73%	85%	76%	79%	81%
	% NH White	21%	1%	13%	22%	10%	17%	13%	14%
	% NH Black	1%	0%	4%	4%	4%	3%	1%	2%
	% Asian/Pac.Isl.	1%	0%	1%	1%	1%	3%	2%	1%
Voter Registration (Nov 2022)	Total	12,322	12,694	13,571	11,215	10,671	13,129	13,216	86,818
	% Latino est.	79%	95%	77%	74%	85%	78%	83%	82%
	% Spanish-Surnamed	71%	85%	69%	66%	77%	70%	75%	73%
	% Asian-Surnamed	1%	1%	2%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	1%	1%	1%	2%	1%	1%
	% NH White est.	16%	1%	18%	18%	8%	14%	10%	12%
	% NH Black	1%	0%	2%	1%	1%	3%	0%	1%
Voter Turnout (Nov 2022)	Total	4,797	3,445	5,521	3,789	3,131	4,780	4,516	29,979
	% Latino est.	68%	96%	67%	59%	74%	69%	77%	72%
	% Spanish-Surnamed	61%	86%	60%	53%	67%	62%	69%	65%
	% Asian-Surnamed	1%	1%	2%	1%	2%	2%	2%	1%
	% Filipino-Surnamed	1%	1%	1%	1%	1%	2%	1%	1%
	% NH White est.	27%	1%	27%	29%	14%	20%	16%	20%
Voter Turnout (Nov 2020)	Total	8,069	7,384	9,488	7,089	6,258	8,701	8,464	55,453
	% Latino est.	73%	94%	72%	65%	81%	73%	81%	77%
	% Spanish-Surnamed	68%	88%	66%	61%	74%	67%	75%	71%
	% Asian-Surnamed	1%	1%	2%	1%	1%	2%	2%	1%
	% Filipino-Surnamed	1%	1%	1%	1%	1%	2%	1%	1%
	% NH White est.	26%	3%	28%	26%	14%	23%	16%	20%
ACS Pop. Est.	Total	25,526	23,976	23,982	26,308	22,906	26,241	24,474	173,413
	Age								
Age	age0-19	33%	30%	32%	28%	34%	38%	34%	33%
	age20-60	52%	48%	47%	55%	47%	45%	48%	49%
	age60plus	15%	22%	20%	18%	19%	17%	19%	19%
Immigration	immigrants	27%	46%	25%	29%	35%	24%	34%	31%
	naturalized	47%	48%	59%	45%	53%	65%	58%	53%
Language spoken at home	english	35%	4%	30%	29%	18%	32%	24%	25%
	spanish	64%	95%	68%	70%	81%	65%	74%	74%
	asian-lang	0%	0%	1%	1%	1%	2%	1%	1%
	other lang	1%	0%	0%	0%	1%	1%	1%	1%
Language Fluency	Speaks Eng. "Less than Very Well"	35%	63%	24%	32%	35%	26%	38%	36%
Education (among those age 25+)	hs-grad	60%	40%	58%	60%	52%	59%	56%	55%
	bachelor	13%	16%	13%	11%	8%	13%	13%	12%
	graduatedegree	3%	3%	9%	3%	2%	5%	5%	4%
Child in Household	child-under18	40%	38%	41%	33%	41%	42%	41%	39%
Pct of Pop. Age 16+	employed	46%	42%	56%	44%	47%	49%	46%	47%
Household Income	income 0-25k	22%	30%	17%	32%	31%	18%	26%	25%
	income 25-50k	22%	26%	17%	24%	29%	18%	17%	22%
	income 50-75k	14%	17%	15%	16%	17%	14%	13%	15%
	income 75-200k	36%	25%	42%	24%	22%	43%	36%	33%
	income 200k-plus	7%	3%	8%	4%	1%	6%	7%	5%
Housing Stats	single family	70%	64%	83%	89%	53%	79%	84%	75%
	multi-family	30%	36%	17%	11%	47%	21%	16%	25%
	rented	46%	58%	32%	25%	67%	35%	39%	42%
	owned	54%	42%	68%	75%	33%	65%	61%	58%

Total population data from the 2020 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2018-2022 5-year American Community Survey and Special Tabulation data.

EXHIBIT C

IVHD Resolution 2024-02

RESOLUTION NO. 2024 - 02

RESOLUTION OF THE BOARD OF DIRECTORS OF IMPERIAL VALLEY HEALTHCARE DISTRICT DETERMINING THE TERMS THAT WILL BE PROPOSED FOR THE ACQUISITION OF EL CENTRO REGIONAL MEDICAL CENTER PURSUANT TO HEALTH AND SAFETY CODE SECTION 32499.6, AS ADDED BY CALIFORNIA ASSEMBLY BILL 918 (2023)

WHEREAS, Imperial Valley Healthcare District (“IVHD”) is a California healthcare district established by the California Legislature pursuant to Assembly Bill 918 (2023), Health and Safety Code section 32499.6 *et seq.*, that is duly organized and existing under the laws of the State of California;

WHEREAS, pursuant to Health and Safety Code section 32499.6 (the “Code”) the IVHD Board of Directors (the “Board”) entered into negotiations with El Centro Regional Medical Center (“ECRMC”) to decide the terms of the acquisition of ECRMC’s healthcare establishment (the “Healthcare Establishment”);

WHEREAS, pursuant to the Code, the Board reviewed financial feasibility studies conducted by the Imperial County LAFCO and Kaufman Hall and confirmed the financial viability of integrating the Healthcare Establishment into IVHD;

WHEREAS, the negotiating committee, as previously nominated by the Board, has identified certain terms to effectuate the acquisition of the Healthcare Establishment with all of its assets and liabilities (the “Negotiation Committee’s Proposal”); and

WHEREAS, this Board now desires to fulfill its obligations under the Code by adopting that certain Letter of Intent and Schedule of Non-Binding Terms and Conditions, attached hereto as Exhibit A (the “Letter of Intent and Schedule of Non-Binding Terms and Conditions”), that represents and records the Negotiating Committee’s Proposal.

NOW, THEREFORE, this Board of Directors of IVHD does hereby find, resolve, and order as follows:

Section 1. The Letter of Intent and Schedule of Non-Binding Terms and Conditions is hereby approved;

Section 2. The Board Chair is hereby authorized to execute the Letter of Intent and Schedule of Non-Binding Terms and Conditions on behalf of IVHD;

Section 3. Adriana S. Ochoa, as legal counsel for IVHD, or her designee(s), acting alone or together, is(are) hereby authorized and directed to take or cause to be taken all such other actions as may be required to fulfill the purposes of this resolution.

Section 4. This resolution shall take effect immediately upon its adoption.

EXHIBIT A
LETTER OF INTENT
AND
SCHEDULE OF
NON-BINDING TERMS AND CONDITIONS

IMPERIAL VALLEY HEALTHCARE DISTRICT

Cedric Cesena
City Manager
City of El Centro
1275 W. Main Street, El Centro,
California, 92243
ccesena@cityofelcentro.org

Pablo Velez
Chief Executive Officer
El Centro Regional Medical Center
1415 Ross Avenue, El Centro,
California 92243
Pablo.Velez@ecrmc.org

June 24, 2024

RE: **NON-BINDING LETTER OF INTENT RELATED TO PROJECT NINE EIGHTEEN**

To: Mr. Cesena and Mr. Velez

This Non-Binding Letter of Intent (this "**Letter**") represents the basis on which Imperial Valley Healthcare District ("**IVHD**") will acquire, assume or otherwise attain the assets and operations of, or related to, the healthcare establishment operated by El Centro Regional Medical Center ("**ECRMC**") as required by AB918 – hereafter known as Project Nine Eighteen (the "**Transaction**").

The proposed terms and conditions for the Transaction are described on the schedule attached hereto. The parties intend that a fully integrated, written, definitive purchase agreement and other related documents (the "**Definitive Agreements**"), will be prepared, authorized, executed and delivered by the parties. This Letter is intended to be a general description of some essential terms of those Definitive Agreements however, this Letter does not describe such terms in full nor describe all the terms and conditions that may be included in the Definitive Agreements and is subject to the parties' related due diligence, legal and regulatory review. For the avoidance of doubt, the Definitive Agreements, as executed, may contain different terms and conditions than are described herein.

The parties hereto acknowledge that this Letter is not intended to create or constitute any legally binding obligation between the parties, and that no party shall have any liability to the other with respect to this Letter.

Yours,


IMPERIAL VALLEY HEALTHCARE DISTRICT



Name: Katherine Burnworth
Title: President

AGREED AND ACKNOWLEDGED BY:

CITY OF EL CENTRO



Name: Cedric Cesena
Title: City Manager

EL CENTRO REGIONAL MEDICAL CENTER



Name: Pablo Velez
Title: Chief Executive Officer

SCHEDULE OF NON-BINDING PROPOSED TERMS AND CONDITIONS

<p>Overview</p>	<p>In 1956, the City formed ECRMC as a “municipal hospital” and “enterprise fund” of the City.¹ Since that date, ECRMC has been serving the healthcare needs of the Imperial Valley through its 161 bed acute-care medical center and several outpatient centers. Since [2013], University of California San Diego (“UCSD”) has had a relationship with ECRMC providing some level of clinical and/or administrative and managerial support of ECRMC’s delivery of healthcare services, such affiliation most recently formalized in a Joint Powers Agreement (discussed below).</p> <p>ECRMC is, in fact, a governmental agency that encompasses more than just the acute-care medical center known as “<i>El Centro Regional Medical Center</i>”. Thus, to avoid confusion, for the purposes of this Schedule, the acute-care medical center, the outpatient centers and all other healthcare operations and services in question will be referred to as “<i>El Centro Healthcare Establishment</i>”.</p> <p>This Transaction will effectuate the intent of AB 918 to transfer the El Centro Healthcare Establishment from ECRMC and the City, on one hand, to IVHD, on the other hand, through the transfer of all the relevant assets and liabilities. ECRMC in its legal form will be dissolved and the El Centro Healthcare Establishment will be owned and operated by IVHD.</p>
<p>The Sellers, Liabilities and Assets</p>	<p>The primary buildings and underlying real estate used by the El Centro Healthcare Establishment are owned by the City (the “<i>Hospital Real Property</i>”).²</p> <p>ECRMC holds personal property of the El Centro Healthcare Establishment and has pledged the revenues generated from the El Centro Healthcare Establishment as security for certain bonds (as discussed below).³</p>
<p>Transfer of Assets</p>	<p>Pursuant to this Transaction, on an “as is, where is” basis, (1) the City shall transfer the Hospital Real Property to IVHD and (2) ECRMC and the City⁴ will transfer all the other assets of, or used by El Centro Healthcare Establishment (in all locations) to IVHD, including all the facilities, equipment, personal property, accounts receivable (even if the services were rendered prior to the Transaction) and the benefits received under all the contracts held by ECRMC (including the Joint Powers Agreement).</p>
<p>Assumption of Liabilities: <i>Bonds</i></p>	<p>In 2018, \$125m in bonds were issued that (a) funded new construction and (b) refunded prior bond issues that were in financial covenant default. Preston Hollow Community Capital (“PHCC”) is majority bondholder. These bonds are secured on the revenues of ECRMC and there is no recourse to the City or to the Hospital Real Property. IVHD shall accept and assume all liabilities and obligations for the existing ECRMC Bonds indebtedness. The parties recognize that assumption of the bonds may be subject to certain approvals, waivers or achievement of other conditions.</p>

¹ See *Municipal Hospitals Cal. Gov. Code § 37600 et seq.*

² Some ancillary property will not be included in the property transfer described in this LOI.

³ “A municipal hospital has been established in the city to operate under the name of El Centro Regional Medical Center.” Sec. 13-32 El Centro City Code

⁴ To the extent that the City may hold some interest due to its relationship with ECRMC (see e.g. Cal. Gov. Code § 37623 “Unless inconsistent with the terms of its acquisition, the title to property acquired for hospital purposes vests in the city.”)

<p>Assumption of Liabilities: <i>The Joint Powers Agreement</i></p>	<p>As stated above, ECRMC has been affiliated with UCSD for a number of years. UCSD is willing to continue such affiliation as currently set forth in a Joint Powers Agreement with City and ECRMC, dated on or around May 7, 2024. The Joint Powers Agreement represents the mechanism through which ECRMC actually operates the El Centro Healthcare Establishment. As such, it is a key part of the Transaction. The parties acknowledge that the Transaction may be conditioned on the parties securing UCSD’s agreement to adjustments, supplements or amendments to the Joint Powers Agreement that IVHD request following its review of this agreement.</p>
<p>Assumption of Liabilities: <i>Other</i></p>	<p>IVHD shall assume all other liabilities and contracts of ECRMC, including but not limited to the following: collective bargaining agreements; retirement plans (and associated liabilities); the Oracle (Cerner) Agreement for implementation and service of a new electronic medical records system; all payor agreements with Medicare, Medi-Cal, health plans and other third party payers; all vendor agreements; all physician and other provider agreements; all other contracts of ECRMC and all other liabilities of the City or ECMRC related to the El Centro Healthcare Establishment. If non-assumable, IVHD will indemnify the City or ECMRC against any such liabilities.</p>
<p>Regulatory Approvals</p>	<p>The parties shall use commercially reasonable efforts to make all required filings and promptly obtain all material approvals, licenses, and permits necessary for IVHD’s post-closing operation of the El Centro Healthcare Establishment. Further, the Definitive Agreements will include related mutual pre-closing obligations, including but not limited to, cooperation in relation to regulatory filings and maximization of supplemental revenue.</p>
<p>Employees of ECRMC</p>	<p>IVHD shall make offers of employment to all employees of ECRMC, who are in good standing, (and employ all those accepting such offer) at no less than the same rate of pay being provided to such employees at the time of closing and, to the extent possible, will make best efforts to provide all such employees with substantially comparable benefits to those they are receiving through ECRMC. All employees shall retain their seniority based on years of service at ECRMC. For the avoidance of doubt, this does not apply to employees of UCSD.</p>
<p>Medical Staff</p>	<p>As is standard in the industry, the El Centro Healthcare Establishment’s medical services are overseen by a formal governing body known as the “Organized Medical Staff”⁵ and, to ensure continuity of care, the parties agree the operation of this body will be substantially unchanged as a result of the Transaction. As of and after the closing of the Transaction, the Organized Medical Staff, in its governance capacity, shall privilege all physicians, surgeons and other healthcare providers of the El Centro Healthcare Establishment consistent with (a) such person’s licensure, training, scope of practice and other credentials (b) applicable law and (c) the bylaws of the Organized Medical Staff.</p>
<p>Consideration for Transfer</p>	<p>This Transaction is authorized by the provisions of Chapter 11 of Division 23 of the California Health and Safety Code, commencing at Section 32499.5 (“<i>AB 918</i>”), and the purpose of complying with AB 918, along with the transfer of assets and liabilities described herein, is deemed adequate consideration to support the transfer.</p>

⁵ The term “Staff” here is used, not its colloquial form to mean employees, but as a term of art that is used to describe a governance body.

Nature of Definitive Agreement	<p>The City, ECMRC and IVHD will be parties to an Asset Transfer Agreement (and, as applicable, certain related documents) where the City and ECMRC are identified as the “<i>Transferors</i>” and IVHD identified as the “<i>Transferee</i>”.</p> <p>Ancillary to such Asset Transfer Agreement will be (a) a deed related to the Hospital Real Property; (b) bill of sale(s) related to all assets other than the Hospital Real Property, and (c) assignment and assumption agreement(s) related to the ECMRC liabilities discussed herein.</p> <p>The parties intend to sign the Asset Transfer Agreement no later than November 5, 2024 with a delayed closing, to facilitate orderly asset, liability and license transfer and compliance with any regulatory requirements (included, but not limited to, filings to California Department of Public Health, The Centers for Medicare and Medicaid Services, California Department of Health Care Services , and the Office of Health Care Affordability).</p>
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IT IS SO RESOLVED. PASSED, ADOPTED AND SIGNED ON THIS 13TH DAY OF JUNE, 2024.

SECRETARY'S CERTIFICATE

I, Arturo Proctor, Secretary of the Board of Directors of Imperial Valley Healthcare District, a California healthcare district, County of Imperial, California, hereby certify as follows:

The attached is a full, true, and correct copy of the resolution(s) duly adopted at a meeting of the Board of Directors of Imperial Valley Healthcare District, which was duly held on June 13, 2024 at which meeting a quorum of the members of the Board of Directors was present; and at such meeting such resolution(s) was/were adopted by the following vote: **6 - 1**

AYES: **Medart Jr. (M), Garcia (second), Burnworth, Goodsell, Proctor, Valdez**

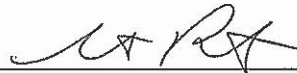
NOES: **Berker**

ABSTAIN: **—**

ABSENT: **—**

I have carefully compared the same with the original minutes of such meeting on file and of record in my office; the attached resolution is a full, true, and correct copy of the original resolution adopted at such meeting and entered in such minutes; and such resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 13th day of June, 2024



Secretary
Imperial Valley Healthcare District

EXHIBIT D

IVHD Resolution 2024-03

SECRETARY'S CERTIFICATE

I, Arturo Proctor, Secretary of the Board of Directors of Imperial Valley Healthcare District, a California healthcare district, County of Imperial, California, hereby certify as follows:

The attached is a full, true, and correct copy of the resolution(s) duly adopted at a meeting of the Board of Directors of Imperial Valley Healthcare District, which was duly held on June 13, 2024 at which meeting a quorum of the members of the Board of Directors was present; and at such meeting such resolution(s) was/were adopted by the following vote: 6-1

AYES: Medart Jr.(M), Garcia (second), Burnworth, Goodsell,

NOES: Valdez

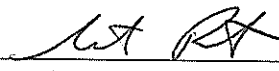
Proctor, Berker

ABSTAIN: —

ABSENT: —

I have carefully compared the same with the original minutes of such meeting on file and of record in my office; the attached resolution is a full, true, and correct copy of the original resolution adopted at such meeting and entered in such minutes; and such resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 13th day of June, 2024



Secretary
Imperial Valley Healthcare District

EXHIBIT E

IVHD Resolution 2024-03A

IVHD Resolution 2024-04

RESOLUTION NO. 2024 – 03A

AMENDED RESOLUTION OF THE BOARD OF DIRECTORS OF IMPERIAL VALLEY HEALTHCARE DISTRICT DETERMINING, PURSUANT TO HEALTH AND SAFETY CODE SECTION 32499.6, AS ADDED BY CALIFORNIA ASSEMBLY BILL 918 (2023), THE RECOMMENDED DATE ON WHICH HEFFERNAN MEMORIAL HEALTHCARE DISTRICT BE DISSOLVED.

WHEREAS, Imperial Valley Healthcare District (“IVHD”) is a California healthcare district established by the California Legislature pursuant to Assembly Bill 918 (2023), Health and Safety Code section 32499.6 *et seq.*, that is duly organized and existing under the laws of the State of California;

WHEREAS, pursuant to Health & Safety Code § 32499.6 the IVHD Board of Directors (the “IVHD Board”) is required to recommend to the Imperial County LAFCO a date for the dissolution of the Heffernan Memorial Healthcare District; such date being between July 1, 2024, and January 1, 2025; and

WHEREAS, IVHD representatives discussed in good faith with representatives from the Heffernan Memorial Healthcare District certain proposed dates for dissolving Heffernan Memorial Healthcare District in the manner least disruptive to the provision of healthcare services in the community;

WHEREAS, on June 13, 2024 this IVHD Board initially recommended to LAFCO, via Resolution 2024-03, a dissolution date of October 1, 2024 for the Heffernan Memorial Healthcare District;

WHEREAS, this IVHD Board now desires to reconsider its recommendation in light of certain recent and disruptive actions taken by the Heffernan Memorial Healthcare District;

WHEREAS, the IVHD Board now recommends to Imperial County LAFCO that Heffernan Memorial Healthcare District be dissolved on or before 7-25-24.

NOW, THEREFORE, this Board of Directors of IVHD does hereby find, resolve, and order as follows:

Section 1. The IVHD Board hereby recommends to the Imperial County LAFCO that Heffernan Memorial Healthcare District be dissolved on or before 7-25-24.

Section 2. Adriana S. Ochoa, as legal counsel for IVHD, or her designee(s), acting alone or together, is(are) hereby authorized and directed to take or cause to be taken all such other actions as may be required to fulfill the purposes of this resolution.

Section 4. This resolution shall take effect immediately upon its adoption.

Section 5. This resolution shall supersede in its entirety Resolution No. 2024-03, which shall be null and void upon approval of this Resolution.

IT IS SO RESOLVED. PASSED, ADOPTED AND SIGNED ON THIS 11TH DAY OF JULY, 2024.

SECRETARY'S CERTIFICATE

I, Arturo Proctor, Secretary of the Board of Directors of Imperial Valley Healthcare District, a California healthcare district, County of Imperial, California, hereby certify as follows:

The attached is a full, true, and correct copy of the resolution(s) duly adopted at a meeting of the Board of Directors of Imperial Valley Healthcare District, which was duly held on July 11, 2024 at which meeting a quorum of the members of the Board of Directors was present; and at such meeting such resolution(s) was/were adopted by the following vote:

AYES: Medart (M), Valdez (S), Berber, Garcia, Burnworth, Goodsell, Proctor

NOES: —

ABSTAIN: —

ABSENT: —

I have carefully compared the same with the original minutes of such meeting on file and of record in my office; the attached resolution is a full, true, and correct copy of the original resolution adopted at such meeting and entered in such minutes; and such resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 11th day of July, 2024



Secretary
Imperial Valley Healthcare District

EXHIBIT F

IVHD Resolution 2024-04

RESOLUTION NO. 2024-04

RESOLUTION OF THE BOARD OF DIRECTORS OF IMPERIAL VALLEY HEALTHCARE DISTRICT DETERMINING, PURSUANT TO HEALTH AND SAFETY CODE SECTION 32499.6, AS ADDED BY CALIFORNIA ASSEMBLY BILL 918 (2023), THE RECOMMENDED DATE ON WHICH PIONEERS MEMORIAL HEALTHCARE DISTRICT BE DISSOLVED.

WHEREAS, Imperial Valley Healthcare District (“IVHD”) is a California healthcare district established by the California Legislature pursuant to Assembly Bill 918 (2023), Health and Safety Code section 32499.6 *et seq.*, that is duly organized and existing under the laws of the State of California;

WHEREAS, pursuant to Health and Safety Code section 32499.6 (the “Code”) the IVHD Board of Directors (the “Board”) is required to recommend to the Imperial County LAFCO a date for the dissolution of the Pioneers Memorial Healthcare District; such date being between July 1, 2024, and January 1, 2025; and

WHEREAS, this Board now desires to fulfill the foregoing obligation by recommending to the Imperial County LAFCO that Pioneers Memorial Healthcare District be dissolved on December 1, 2024.

NOW, THEREFORE, this Board of Directors of IVHD does hereby find, resolve, and order as follows:

Section 1. The IVHD Board of Directors hereby recommends to the Imperial County LAFCO that Pioneers Memorial Healthcare District be dissolved on December 1, 2024.

Section 2. Adriana S. Ochoa, as legal counsel for IVHD, or her designee(s), acting alone or together, is(are) hereby authorized and directed to take or cause to be taken all such other actions as may be required to fulfill the purposes of this resolution.

Section 4. This resolution shall take effect immediately upon its adoption.

IT IS SO RESOLVED. PASSED, ADOPTED AND SIGNED ON THIS 13TH DAY OF JUNE, 2024.

SECRETARY'S CERTIFICATE

I, Arturo Proctor, Secretary of the Board of Directors of Imperial Valley Healthcare District, a California healthcare district, County of Imperial, California, hereby certify as follows:

The attached is a full, true, and correct copy of the resolution(s) duly adopted at a meeting of the Board of Directors of Imperial Valley Healthcare District, which was duly held on June 13, 2024 at which meeting a quorum of the members of the Board of Directors was present; and at such meeting such resolution(s) was/were adopted by the following vote: 6-1

AYES: Medart Jr. (M), Garcia (second), Burnworth, Goodsell, Proctor,

NOES: Berker

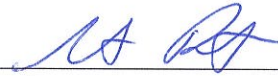
Valdez

ABSTAIN: _____

ABSENT: _____

I have carefully compared the same with the original minutes of such meeting on file and of record in my office; the attached resolution is a full, true, and correct copy of the original resolution adopted at such meeting and entered in such minutes; and such resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 13th day of June, 2024



Secretary
Imperial Valley Healthcare District