



December 6, 2023

Tricia Webber
County Clerk
County of Santa Cruz
Elections Department
701 Ocean Street, Room 310
Santa Cruz, CA 95060

Re: Pajaro Valley Health Care District
General Obligation Bond Election– March 5, 2024

To the County Clerk:

Enclosed is the resolution adopted by the Board of Directors of the Pajaro Valley Health Care District ordering a general obligation bond election on March 5, 2024. The election is being ordered under California Health and Safety Code Sections 32000 et seq. and requires a two-thirds vote for passage. Also enclosed is the originally-signed Tax Rate Statement attached as an exhibit to the resolution.

The adopted Board resolution includes the abbreviated form of the ballot measure to be printed in the ballot pamphlet. In accordance with the resolution, an authorized officer of the District has revised the abbreviated form of the ballot measure to conform to the 75-word limit. As revised, the abbreviated form of the ballot measure is:

“To improve the quality of healthcare at Watsonville Community Hospital; expand/renovate the emergency room; upgrade imaging systems including x-rays, MRI and CT scanners; purchase the hospital property; modernize healthcare facilities to expand services; replace roofs/plumbing; shall Pajaro Valley Health Care District’s measure authorizing \$116,000,000 in bonds at legal rates, generating approximately \$6,800,000 annually at an average rate of \$24 per \$100,000 of assessed valuation while bonds are outstanding, with citizen oversight and all funds under local control, be adopted?”

Bonds _____ Yes

Bonds _____ No

In addition, the longer form of the ballot language to appear in the sample ballot, including the Tax Rate Statement as required pursuant to Elections Code 9400 and following, are also enclosed.


The Board of Directors of the District has requested consolidation of this election with others occurring on the same day, and we acknowledge that the consolidated election

will be held and conducted in the manner prescribed in Section 10418 of the Elections Code. We are submitting these resolutions to you in your capacity as the registrar of voters, and have provided a copy of the resolution to the Clerk of the Board of Supervisors for purposes of consolidation pursuant to Elections Code Section 10403.

The District boundaries include territory in both Santa Cruz County and Monterey County. As the lead county with regard to this District, we understand that your office will transmit these materials to the Monterey County Registrar of Voters so that the bond measure may be placed on the Monterey County ballot.

Should you have any questions or require any additional information or assistance, please contact our bond attorney, Scott Ferguson, at (415) 370-4756 or sferguson@joneshall.com.

Yours very truly,



Stephen Gray, Chief Executive Officer

Cc: Gina Martinez, Monterey County Registrar of Voters

“To improve the quality of healthcare at Watsonville Community Hospital; expand/renovate the emergency room; upgrade imaging systems including x-rays, MRI and CT scanners; purchase the hospital property; ~~and~~ modernize healthcare facilities to expand services; replace roofs/plumbing; shall Pajaro Valley Health Care District’s measure authorizing \$116,000,000 in bonds at legal rates, generating approximately \$6,800,000 annually at an average rate of \$24 per \$100,000 of assessed valuation while bonds are outstanding, with citizen oversight and all funds under local control, be adopted?”

SG
12/6/2023

Bonds _____ Yes

Bonds _____ No

The Bonds proposed to be issued and sold shall bear interest at a rate or rates per annum not exceeding the statutory maximum, presently 8% per annum, payable at the time or times permitted by law, and the term of the Bonds shall not exceed 30 years from the date of issuance of the Bonds or the date of issuance of any series thereof. The aggregate principal amount of Bonds proposed to be issued under the Proposition shall not exceed \$116,000,000.

The District’s Chief Executive Officer or its Chief Financial Officer (or any interim officer or any designee thereof) are each hereby authorized and directed to make any changes to the text of the Proposition or its abbreviated form as required to comply with the intent of this Resolution, the requirements of election officials and requirements of law.

The projects authorized to be financed pursuant to the Proposition (the “Projects”) shall include without limitation the following. This list is intended to be illustrative only and shall not limit the scope of the Projects authorized by the Proposition.

1. Expand and renovate the emergency room to provide better emergency care and meet the growing needs of our community.
2. Upgrade imaging systems including x-rays, MRI, and CT scanners.
3. Purchase the Watsonville Community Hospital property to save approximately \$3 million a year in rent payments, which could then be used for improved healthcare services.
4. Repair or replace deteriorating plumbing systems.
5. Modernize health care facility to provide additional services.
6. Renovate or replace outdated heating, ventilation and air conditioning systems.
7. Repair or replace aging roofs.
8. Modernize outdated healthcare facilities, including restrooms.

Section 2. Pursuant to Section 1 of Article XIII A of the Constitution of the State of California and Health and Safety Code Section 32302, the Proposition shall become effective only if two-thirds of the votes cast on the Proposition are in favor thereof.

Section 3. Pursuant to Government Code Section 53410, the Board hereby provides the requisite accountability measures. The bond proceeds shall apply only to the single purpose identified in the Proposition. The District shall create an account into which the bond proceeds shall be deposited. The Board hereby directs the District’s Chief Executive Officer or its Chief Financial Officer to file with the Board an annual report as required by Government Code Section 53411 no later than the first January 1st following the first issuance of the Bonds and at least once a year thereafter. If two-thirds or more of the voters of the District voting on the Proposition approve the Proposition, the Board shall establish and appoint members to an independent Citizens’ Oversight Committee to ensure that all funds are spent only as authorized hereby.

RESOLUTION NO. 004-2023

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PAJARO VALLEY HEALTH CARE DISTRICT ORDERING AN ELECTION TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS IN AN AMOUNT NOT TO EXCEED \$116,000,000, SETTING FORTH THE SPECIFICATIONS THEREOF, REQUESTING CONSOLIDATION WITH OTHER ELECTIONS OCCURRING ON MARCH 5, 2024, AND AUTHORIZING CERTAIN ACTIONS AND ACCOUNTABILITY MEASURES WITH RESPECT THERETO

WHEREAS, the Board of Directors (the “Board”) of the Pajaro Valley Health Care District (the “District”), in the Counties of Santa Cruz and Monterey, State of California (each a “County”), is generally authorized to order elections within the District and to designate the specifications thereof;

WHEREAS, pursuant to California Health and Safety Code Sections 32000 *et seq.* (the “Local Health Care District Law”), the Board is specifically authorized to order elections for the purpose of submitting to the electors the question of whether general obligation bonds of the District (the “Bonds”) shall be issued and sold for the purpose of raising money for the purposes hereinafter set forth;

WHEREAS, the Board considers special assessments to be inadvisable for the purposes set forth herein;

WHEREAS, the Board deems it necessary and advisable to submit a bond proposition to the electors which, if approved by two-thirds of the votes cast, would permit the District to issue and sell its Bonds;

WHEREAS, it is desirable that the election to determine whether the Bonds shall be issued and sold be consolidated with such other election or elections as may be held on the same day in the same territory or in territory that is in part the same;

WHEREAS, this measure mandates fiscal accountability, including the establishment of a Citizens’ Oversight Committee, to insure funds are spent as promised;

WHEREAS, the Election Code requires at Section 9400 *et seq.*, that a tax rate statement be contained in all official publications and ballot pamphlets prepared, sponsored or published by the District which relate to the proposition;

WHEREAS, this Board desires to authorize the filing of a ballot argument in favor of the proposition to be submitted to the voters at the election; and

WHEREAS, this Board desires to obtain the services of Jones Hall, A Professional Law Corporation, to act as bond counsel to assist with the Election (as defined herein);

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED, as follows;

Section 1. The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in one or more series from time to time. Pursuant to Health and Safety Code Section 32301, an election shall be held within the boundaries of the Pajaro Valley Health Care District on March 5, 2024 (the “Election”), for the purpose of submitting to the registered voters of the District the following proposition (the “Proposition”):

“To improve the quality of healthcare at Watsonville Community Hospital; expand/renovate the emergency room; upgrade imaging systems including x-rays, MRI and CT scanners; purchase the hospital property and modernize healthcare facilities to expand services; replace roofs/plumbing; shall Pajaro Valley Health Care District’s measure authorizing \$116,000,000 in bonds at legal rates, generating approximately \$6,800,000 annually at an average rate of \$24 per \$100,000 of assessed valuation while bonds are outstanding, with citizen oversight and all funds under local control, be adopted?”

Bonds _____ Yes

Bonds _____ No

The Bonds proposed to be issued and sold shall bear interest at a rate or rates per annum not exceeding the statutory maximum, presently 8% per annum, payable at the time or times permitted by law, and the term of the Bonds shall not exceed 30 years from the date of issuance of the Bonds or the date of issuance of any series thereof. The aggregate principal amount of Bonds proposed to be issued under the Proposition shall not exceed \$116,000,000.

The District’s Chief Executive Officer or its Chief Financial Officer (or any interim officer or any designee thereof) are each hereby authorized and directed to make any changes to the text of the Proposition or its abbreviated form as required to comply with the intent of this Resolution, the requirements of election officials and requirements of law.

The projects authorized to be financed pursuant to the Proposition (the “Projects”) shall include without limitation the following. This list is intended to be illustrative only and shall not limit the scope of the Projects authorized by the Proposition.

1. Expand and renovate the emergency room to provide better emergency care and meet the growing needs of our community.
2. Upgrade imaging systems including x-rays, MRI, and CT scanners.
3. Purchase the Watsonville Community Hospital property to save approximately \$3 million a year in rent payments, which could then be used for improved healthcare services.
4. Repair or replace deteriorating plumbing systems.
5. Modernize health care facility to provide additional services.
6. Renovate or replace outdated heating, ventilation and air conditioning systems.
7. Repair or replace aging roofs.
8. Modernize outdated healthcare facilities, including restrooms.

Section 2. Pursuant to Section 1 of Article XIII A of the Constitution of the State of California and Health and Safety Code Section 32302, the Proposition shall become effective only if two-thirds of the votes cast on the Proposition are in favor thereof.

Section 3. Pursuant to Government Code Section 53410, the Board hereby provides the requisite accountability measures. The bond proceeds shall apply only to the single purpose identified in the Proposition. The District shall create an account into which the bond proceeds shall be deposited. The Board hereby directs the District’s Chief Executive Officer or its Chief Financial Officer to file with the Board an annual report as required by Government Code Section 53411 no later than the first January 1st following the first issuance of the Bonds and at least once a year thereafter. If two-thirds or more of the voters of the District voting on the Proposition approve the Proposition, the Board shall establish and appoint members to an independent Citizens’ Oversight Committee to ensure that all funds are spent only as authorized hereby.

Section 4. This Resolution shall stand as the order to the Registrar of Voters to call the Election within the boundaries of the District on March 5, 2024. The Registrar of Voters is hereby requested, pursuant to Section 32301 of the Health and Safety Code, to take all steps to call and hold the Election in accordance with law and these specifications. This order of election and the foregoing specifications of the election order are made pursuant to the Local Health Care District Law. Pursuant to the Elections Code, the Board of Supervisors of each County is required to permit the Registrar of Voters of the respective County to render all services specified by Section 10418 of the Elections Code relating to the election for which services the District agrees to reimburse each respective County.

Section 5. The Board of Supervisors of each County is requested to order consolidation of the Election with such other elections as may be held on the same day in the same territory or in territory that is in part the same.

Section 6. The Clerk of the Board is hereby directed to deliver, no later than December 8, 2023 (which is at least 88 days prior to the date set for the Election), one certified copy of this Resolution and order to the Registrar of Voters of each County and one certified copy to the Clerk of the Board of Supervisors of each County.

Section 7. The Chief Executive Officer of the District is hereby authorized to prepare or cause to be prepared a tax rate statement (the "Tax Rate Statement") conforming to the requirements of Elections Code Section 9401 and to file the Tax Rate Statement with the Registrar of Voters of each County. The Tax Rate Statement shall be in substantially the form attached hereto as Exhibit A.

Section 8. The Registrar of Voters of each County is hereby requested to include the Tax Rate Statement in all official publications pertaining to the Proposition, pursuant to the terms of Elections Code Section 9402.

Section 9. The Registrar of Voters of each County is hereby requested to transmit a copy of the Proposition to each respective County Counsel with a request that the respective County Counsel prepare an impartial analysis thereof.

Section 10. One or more members of the Board are hereby authorized, but not directed, to prepare and file with the Registrar of Voters of each County a ballot argument in favor of the Proposition pursuant to the requirements of Elections Code Section 9501.

Section 11. The Clerk of the Board is hereby directed to submit a copy of the ballot argument, if the same is filed pursuant to Section 10 above, to the Registrar of Voters of each County on or before the deadline date fixed by the Registrar of Voters of each respective County.

Section 12. The Board has determined to appoint Jones Hall, A Professional Law Corporation, to act as bond counsel to assist with the Election and the purposes of this resolution.

Section 13. The Board presently intends and reasonably expects to have tax-exempt obligations (the "Obligations") issued on its behalf no later than 18 months of (i) the date of the expenditure of moneys, if any, made with respect to the Projects or (ii) the date upon which the Project for which expenditures are to be reimbursed is placed in service or abandoned, whichever is later (but in no event more than 3 years after the date the original expenditure of such moneys is paid), and to allocate all or a portion of the proceeds thereof to reimbursable expenditures in connection with the Projects, as may be qualified under the provisions of Section 1.150-2 of the Treasury Regulations of the Internal Revenue Service (the "Reimbursable Expenditures"). All of the Reimbursable Expenditures covered by this Section were paid

not earlier than 60 days prior to the date of this Resolution or constitute preliminary expenditures within the meaning of Section 1.150-2 of the Treasury Regulations. The Board intends to allocate within 30 days after the date of issue of the Obligations, the proceeds therefrom to reimburse the District for the Reimbursable Expenditures. With respect to the proceeds of the Obligations allocated to reimburse the District for prior expenditures, the Board hereby covenants not to employ an abusive device under Treasury Regulation Section 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of replacement proceeds, as defined in Treasury Regulation Section 1.148-1, of the Obligations or another issue of tax-exempt obligations.

The above provisions are made solely for the purpose of establishing compliance with the requirements of said Section 1.150-2 of the Treasury Regulations. This provision does not bind the District or the Board to make any expenditure, incur any indebtedness, or proceed with the financing, acquisition or construction of the Projects.

Section 14. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED by the Board of Directors of the Pajaro Valley Health Care District at a regular meeting thereof held this 29th day of November 2023, by the following vote:

AYES: Directors Nunez, Cox, Pimentel, Gallagher, Chair Friel.

NOES: None

ABSENT: None

ABSTAIN: None

DocuSigned by:
John Friel
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John Friel
Chair of the Board

ATTEST:

DocuSigned by:
Rosalie Brown
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Rosalie Brown
Clerk of the Board

**EXHIBIT A
FORM OF TAX RATE STATEMENT**

**TAX RATE STATEMENT IN CONNECTION WITH
PAJARO VALLEY HEALTH CARE DISTRICT BOND
MEASURE TO BE SUBMITTED AT BOND ELECTION
TO BE HELD ON MARCH 5, 2024**

An election will be held in the Pajaro Valley Health Care District (the “District”) on March 5, 2024, to authorize the sale of up to \$116,000,000 in general obligation bonds of the District (the “Bonds”) to finance the acquisition and improvement of real property for healthcare related purposes. If such Bonds are authorized and sold, the principal thereof and interest thereon will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the California Elections Code. This information is based upon the best estimates and projections presently available from official sources, upon experience within the District and other demonstrable factors.

1. The best estimate from official sources of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on estimated assessed valuations available at the time of the filing of this statement, or a projection based on experience within the District, or other demonstrable factors, is 2.4 cent per \$100 (\$24 per \$100,000) of assessed valuation of all property to be taxed. The final year in which the tax is anticipated to be collected is 2057-58.

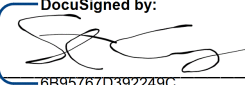
2. The best estimate from official sources of the highest tax rate that would be required to be levied to fund the bond issue, and an estimate of the year in which that rate will apply, based on estimated assessed valuations available at the time of filing of this statement, or a projection based on experience within the District, or other demonstrable factors, is 2.4 cents per \$100 (\$24 per \$100,000) of assessed valuation on all property to be taxed for fiscal year 2053-54.

3. The best estimate from official sources of the total debt service, including the principal and interest, that would be required to be repaid if all the Bonds are issued and sold, is \$230.1 million.

Attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of Bonds sold at any given sale, actual assessed valuations over the term of repayment of the Bonds and applicable interest rates. The actual interest rates at which the Bonds will be sold, which will not exceed the maximum permitted by law, will depend upon the bond market at the time of sale. The actual times of sales of the Bonds and the amount sold at any given time will be governed by the needs of the District and other factors (including market variations in interest rates on general obligation bonds). Actual future assessed valuations will depend upon the amount and value of taxable property within the District as determined in the assessment and the equalization process. Assessed valuation is not the same as market price of real property. Therefore, the actual tax rates and the years in which those tax rates will be applicable may vary from those presently estimated and stated above.

Voters should note that the estimated tax rates are based on the ASSESSED VALUE of taxable property in the District as shown on the applicable county’s official tax rolls, not on the property’s market value. Property owners should consult their own property tax bills to determine their property’s assessed valuation and any applicable tax exemptions.

Dated: November 29, 2023

DocuSigned by:

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Chief Executive Officer
Pajaro Valley Health Care District