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# PUBLIC NOTICE

Bloss Memorial Healthcare District, A Public Entity • 3605 Hospital Road, • Atwater, California 95301 •  
(209) 381-2000 x 7002 • fax: (209) 722-9020

**Date:** September 23, 2016

**Phone:** (209) 724-4102

**Fax:** (209) 722-9020

The Bloss Memorial Healthcare District Finance Committee meeting will be held on Thursday, September 29, 2016 at 1:30 pm in the Board Room at 3605 Hospital Road, Atwater, Ca 95301.

The Bloss Memorial Healthcare District **Board of Directors** Meeting will be held on Thursday, September 29, 2016 at 2:00 pm in the Board Room at 3605 Hospital Road, Atwater, CA 95301

I, Fily Cale, posted a copy of the agenda of the Board of Directors of Bloss Memorial Healthcare District, said time being at least 72 hours in advance of the meeting of the Board of Directors.

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)  
 BOARD OF DIRECTORS MEETING  
 BOARD ROOM  
 Thursday, September 29, 2016  
 2:00 pm**

**AGENDA FOR PUBLIC SESSION**

**I. CALL TO ORDER**

**II. ROLL CALL**

	<u>ACTION</u>	<u>EXHIBIT</u>
<b>III. APPROVAL OF AGENDA</b>	*	

**IV. PUBLIC COMMENTS**

**Comments can be made concerning any matter within the Board's jurisdiction; but if the matter is not on the agenda, there will be no Board discussion of the issue.**

**V. APPROVAL OF MINUTES**

A. August 23, 2016 CCDSC Governance Meeting – Informational		
B. August 23, 2016 CCDSC Governance Meeting – Informational		
C. August 31, 2016 Board of Directors Meeting	*	1

**VI. FINANCIAL REPORT**

A. August 31, 2016 Finance Committee Minutes	*	2
B. Chief Financial Officer Report		3
C. August Payroll, Electronic Payments & Check Register	*	4

**VII. CHIEF EXECUTIVE OFFICER REPORT**

**VIII. OLD BUSINESS / REPORTS**

A. Castle Family Health Centers, Inc Report		5
B. Bloss Board Member Report		

**IX. NEW BUSINESS**

A. Provider Credentialing / Privileging	*	
B. Approval of CCDSC / CDSC Policies & Procedures	*	
C. Approval of Agreement of Merger and Amended and Restated Joint Powers Agreements (ALPHA Fund / BETA)	*	6

**X. AGENDA FOR CLOSED SESSION**

Closed Session Items Pursuant the Brown Act will be:  
 Section 54954.5(h) Report Involving Trade Secrets – Regarding New Services.  
 Estimated date of public disclosure will be in 2016.  
 Section 54954.5 (c); 54956.9 Conference with Legal Counsel for Initiation of Litigation.  
 Section 1461 of the Health and Safety Code – Quality Management.

**XI. NEXT MEETING DATE**

**XII. ADJOURNMENT**

Assistance for those with disabilities: If you have a disability and need accommodation to participate in the meeting, please call Fily Cale at (209) 724-4102 or (209) 381-2000 extension 7000 for assistance so that any necessary arrangements may be made.

Any written materials relating to an agenda item to be discussed in open session of a regular meeting that is distributed within the 72 hours prior to the meeting is available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. These documents are available from the Executive Assistant in administration at 3605 Hospital Road, Suite F, Atwater, California 95301.

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)  
CENTRAL CALIFORNIA DENTAL SURGERY CENTER (CCDSC)  
Advisory Committee Meeting  
Executive Conference Room  
Tuesday, August 23, 2016  
10:00 am**

**CALL TO ORDER**

Edward Lujano called the meeting to order at 10:00 a.m.

**ROLL CALL**

Present: Edward Lujano, Bloss CEO; Fily Cale, Executive Assistant; Kory Billings, Committee Member; Lloyd Weaver, Committee Member.

Others Present: Dawnita Castle, Senior Accountant

Absent: Bill Able, Bloss CFO and David Thompson, CCDSC Administrator

**APPROVAL OF AGENDA**

**A motion was made / seconded, (Kory Billings / Lloyd Weaver) to approve the August 23, 2016 agenda as presented. Motion carried.**

**APPROVAL OF MINUTES**

None

**FINANCIAL REPORT**

**A. July 2016 Financials, Exhibit 2**

Edward Lujano reported that Bill Able, CFO, will be out and is expected to return in February 2017. Dawnita Castle, Senior Accountant will be taking his place during this interim period.

Dawnita Castle, Senior Accountant, reported that CCDSC is starting a new FY. They treated 207 patients and recorded a net profit of \$30,582 before overhead and a net profit, including overhead in the amount of \$24,669. The net per case for July 2016 was \$1,278 and expenses per case was \$1,130.

Kory Billings asked how had CCDSC finish FY 2016? Dawnita Castle replied that she had adjusted the allowances as they had been overstated when she did her analysis. We are finishing off with a YTD profit of \$397,082.

**A motion was made /seconded, (Kory Billings / Lloyd Weaver) to approve and accept the July 2016 Financial Report, Exhibit 2. Motion carried.**

**ADMINISTRATOR REPORT**

Edward Lujano reported that we are currently working on filling Dr. Park's (anesthesiology) position as he and his family are relocating. There are three candidates, and hopefully one will be presented for credentialing next month.

Janice Huang, DDS, Anesthesiologist, will be presented at the Board meeting next week for credentialing. Dr. Huang will work at CCDSC two days per week.

We have not heard anything else from the HPSJ attorney.

**REPORTS**

None.

**OLD BUSINESS**

None

**NEW BUSINESS**

A. Policies & Procedures Recommendation, Exhibit 4

None.

B. Credentialing Privileging Recommendation

None.

**AGENDA FOR CLOSED SESSION**

Edward Lujano, stated that there will be discussion under Section 1461 Quality Management.

**NEXT MEETING DATE**

The next Governance meeting will be held Tuesday, September 27, 2016 at 10:00 am.

**ADJOURNMENT**

As there was no further business, the meeting adjourned into closed session at 10:04 am.

The meeting reconvened into public session. No action taken.

Respectfully Submitted,

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Fily Cale  
Executive Assistant

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Kory Billings  
Committee Member

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)  
U.S. DENTAL SURGERY  
d/b/a CHILDREN'S DENTAL SURGERY CENTER (CDSC)  
Advisory Committee Meeting  
Executive Conference Room  
Tuesday, August 23, 2016  
11:00 a.m.**

**PUBLIC COMMENTS**

None.

**CALL TO ORDER**

Edward Lujano, Bloss CEO, called the meeting to order at 11:00 am.

**ROLL CALL**

Present: Edward Lujano, Bloss CEO; Rosalie Heppner, Committee Member; Alfonse Peterson, Committee Member and David Thompson, CDSC Administrator;

Others Present: Dawnita Castle, Senior Accountant

Absent: Bill Able, CFO

**APPROVAL OF AGENDA**

**A motion was made / seconded, (Rosalie Heppner / Alfonse Peterson) to approve the August 23, 2016 agenda as presented. Motion carried.**

**APPROVAL OF MINUTES**

A. July 26, 2016 Meeting Minutes, Exhibit 1

**A motion was made / seconded, (Alfonse Peterson / Rosalie Heppner) to approve and accept the July 26, 2016 Meeting minutes, Exhibit 1. Motion carried.**

**FINANCIAL REPORT**

A. July 2016 Financials, Exhibit 2

Edward Lujano reported that Bill Able, CFO, is out and will be returning February 2017. Dawnita Castle, Senior Accountant will be taking his place temporarily.

Dawnita Castle, Senior Accountant reported that in the 90-day column the amount of \$10,000 for Delta Dental of California was adjusted off in July 2016. David Thompson stated that the new providers that have come to work for CDSC specifically do not have their contracts set with Delta Dental. For CCDSC it was the change of ownership that spurred the re-contracting.

For July 2016, CDSC treated 184 patients and recorded a net loss of \$40,970 compared to the June 2016 profit of \$6,653 with 284 cases. The seven month YTD end July 2016 was a net loss of \$6,634. Net revenue per patient was \$1,264 for July 2016 and expenses were \$1,486. David Thompson stated that volumes were down due a provider being out the last week of the month and licensure fees were doubled from last year, utilities were higher by \$1,000 last month and these little expenses tend to add up. With volumes this low you cannot absorb it.

**A motion was made / seconded, (Rosalie Heppner / Alfonse Peterson) to approve and accept the July 2016 Financial Report, Exhibit 2. Motion carried.**

### **ADMINISTRATOR REPORT, EXHIBIT 3**

David Thompson reported that in regards to the patient volumes, it ties in with another major issue such as whether we are going to or not going to maintain our current location. A tour was done of another location they are looking at and it was in great shape and the rent would be a third of what we are currently paying, but would also take a 12-month period of development. The exterior needs paint and awnings. There is also an option for a longer term lease instead of taking over for the tenants. An extensive discussion was held on this issue.

We did reach out to our partner, Carol Freeman and she is aware of what we are looking at and has also requested several scenarios from us. We will either stay where we are at, develop a new site or move to a new location. We will need additional capital if we move to a new location.

### **REPORTS**

None.

### **OLD BUSINESS**

None.

### **NEW BUSINESS**

A. Policies & Procedures Recommendation, Exhibit 4

None.

B. Credentialing / Privileging Recommendation

None.



**AGENDA FOR CLOSED SESSION**

Edward Lujano stated that there will be discussion under Section 1461 Quality Management.

**NEXT MEETING DATE**

The next Governance Meeting will be held Tuesday, September 27, 2016 at 11:00 a.m.

**ADJOURNMENT**

As there was no further business, the meeting adjourned into closed session at 11:30 am.

The meeting reconvened into public session and adjourned. No action taken.

Respectfully Submitted,

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Alfonse Peterson  
Committee Member

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Edward Lujano  
Chief Executive Officer

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)  
BOARD OF DIRECTORS MEETING  
BOARD ROOM  
Wednesday, August 31, 2016  
2:00 pm**

**CALL TO ORDER**

Rosalie Heppner, Chair, called the meeting to order at 2:01 pm.

**ROLL CALL**

Board Members Present: Rosalie Heppner, Chair; Kory Billings, Vice Chair; Al Peterson, Secretary / Treasurer; Glenn Arnold, Board Member and Lloyd Weaver, Board Member

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, Senior Accountant; David Thompson, CCDSC / CDSC Administrator; David Hoffman, Hoffman Electronic Systems; Blanche Jorge, Hoffman Electronic Systems; Peter Mojarras, CFHC COO @ 2:15 pm

Absent: Bill Able, CFO and Ralph Temple, Jr., Legal Counsel

**APPROVAL OF AGENDA**

Rosalie Heppner, Board Chair, requested that item IX C. Hoffman Electronic Systems Security Camera Upgrade Presentation / Proposal be moved to follow approval of agenda.

**A motion was made/seconded, (Alfonse Peterson / Kory Billings) to approve the August 31, 2016 agenda with change. Motion carried.**

Edward Lujano reported that we have been having some challenges with the security system and Sabrina Cooksey, HR Director was able to obtain a quote from Hoffman Electronic Systems for both the Bloss and Castle sites.

David Hoffman and Blanche Jorge presented four (4) proposals, two (2) for each site. One proposal is just to replace the recording equipment at each location. The Bloss site proposal is for 29 cameras and the other proposal for the Castle site is for 43 cameras. The second proposal for each site is to replace everything from cameras, cabling, and recorders to upgrade BMHD to today's technology. A maintenance program is also available. Our current system is analog.

Hoffman Electronic Systems has been in Atwater since 1979, they are a local company and are capable of doing anything a large national company can. Matthew Hoffman manages the Atwater office and David Hoffman manages the Fresno office. They have 49 employees and are always available on a local level.

Kory Billings stated that the proposals should be addressed to Bloss Memorial Healthcare District as they own the facility and Castle Family Health Centers is a tenant. Kory Billings also stated that he will be abstaining from any decisions being made as he has family that is employed by Hoffman Electronic Systems.

Edward Lujano thanked David Hoffman and Blanche Jorge for their presentation.

### **PUBLIC COMMENTS**

None.

### **APPROVAL OF MINUTES**

- A. July 26, 2016 CDSC Governance Meeting – Informational
- B. July 26, 2016 CCDSC Governance Meeting – Exhibit 1
- C. July 28, 2016 Board of Directors Meeting, Exhibit 1a

Kory Billings clarified that CCDSC did not approve anything as neither Committee members were there at the previous meeting.

**A motion was made / seconded, (Alfonse Peterson / Lloyd Weaver) to approve and accept the July 26, 2016 CDSC Governance Meeting minutes as presented, Exhibit 1. Motion carried.**

Several corrections were made on the July 28, 2016 meeting minutes.

**A motion was made / seconded, (Glenn Arnold / Lloyd Weaver) to approve and accept the July 28, 2016 Meeting minutes with correction, Exhibit 1a. Motion carried.**

### **FINANCIAL REPORT**

- A. July 28, 2016 Finance Committee Meeting Minutes, Exhibit 2

**A motion was made / seconded, (Alfonse Peterson / Glenn Arnold) to accept the July 28, 2016 Finance Committee Meeting Minutes as presented. Exhibit 2. Motion carried.**

- B. Chief Financial Officer Report, Exhibit 3

Edward Lujano reported that Bill Able, CFO, will be out until February 2017. Dawnita Castle, Senior Accountant, will take his place until that time.

Dawnita Castle reported that BMHD had a net profit before depreciation in the amount of \$29,369 and a net loss after depreciation in the amount of \$29,876.

The audit is underway for June 30, 2016, it is going great and CCDSC recorded a net profit in the amount of \$397,082 compared to a loss the prior year in the amount of \$112,930.

C. July 2016 Payroll, Electronic Payments and Check Register, Exhibit 4

**A motion was made / seconded, (Alfonse Peterson / Kory Billings) to accept the July 2016 Payroll in the amount \$61,836.98 and Accounts Payable in the amount of \$409,085.55 for a total Disbursement of \$470,922.53, Exhibit 4. Motion carried.**

**CHIEF EXECUTIVE OFFICER'S REPORT**

Edward Lujano reported that he has been speaking with Jim Graham regarding re-listing the Parlier facility. The facility may be partitioned off and listed as office space, and we don't want to limit the lease to just surgical facility.

He and David Thompson, CDSC Administrator, toured another surgical facility that is currently for lease. The building is older and can be upgraded. They continue to speak with Mahesh Katwtini, current CDSC landlord and Carol Freeman, Partner.

The BMHD website is in its final stages and we are looking at the domain name. A final meeting will be scheduled with Octane Advertising prior to launching the website.

The annual Christmas Party for the surgical centers will be held on Friday, December 9, 2016 at Table 26 in Turlock.

Edward Lujano also commented that CDSC had a loss in July; Dr. Dang left and we were operating with one OR. July had 266 scheduled patients and completed 184. As of yesterday CDSC had completed 246 cases with today left, which should bring it up to 260 cases. We will have provider credentialing later today. CDSC received 361 referrals in July 2016 and Sonny Vasquez, Marketing, visited 201 offices in northern California.

CCDSC scheduled 203 cases and completed 207 cases compared to July 2015 when they completed 231 cases. As of yesterday they were at 203 cases with today left which should bring it up to 220 cases. We received 339 referrals for July 2015 and Sonny Vasquez, Marketing, visited 175 office in the Central Valley.

**OLD BUSINESS / REPORTS**

A. Castle Family Health Centers, Inc Report, Exhibit 5

Peter Mojarras thanked the Board of Directors for their support during the annual Summer Family Health Festival earlier this month. Attendance was not as high as previous year, but we had a total of 555 sports physicals. He also provided a report of how many screenings were provided, from glucose, BP, glaucoma, vision, dental and CHDP physicals.

Day Break received recognition in Excellence in Business in professional services. A luncheon will be held on September 22, 2016 at Hilmar Cheese to recognize all businesses awarded.

Peter Mojarras attended the NACHC Conference in Chicago and provider shortage is nationwide. CFHC continues with provider recruitment and patient access issues for medical appointments.

## B. Bloss Board Member Report

Kory Billings reported that the Board of Directors had met with Wells Fargo Bank on Monday, August 15, 2016. They gave a full presentation to the Board of Directors. They will attempt to level out the payments rather than having a large lump sum.

## NEW BUSINESS

### A. Provider Credentialing / Privileging

Edward Lujano presented Janice Huang, DDS, Dental Anesthesiologist for privileges and credentialing for CCDSC and CDSC as recommended by Perry Solomon, MD, Medical Director.

David Thompson, CCDSC / CDSC Administrator reported that he will have three additional upcoming providers for credentialing. Dr. Park will be moving out of the area in the middle of September.

**A motion was made / second, (Kory Billings / Alfonse Peterson) to approve and accept the privileges and credentialing for Janice Huang, DDS, Anesthesiologist, for anesthesia for Central California Dental Surgery Center and Children's Dental Surgery Center as recommended by Perry Solomon, MD, Medical Director.**

### B. Approval of CCDSC / CDSC Policies & Procedure

None.

### C. Hoffman Electronic Systems Security Camera Upgrade Presentation / Proposal, Exhibit 6

This item was presented at the beginning of the meeting. Edward Lujano stated that we had not been aware of the cost until today and obviously we will need to obtain at least three bids before proceeding with the security camera upgrades. He is recommending that this item be tabled until such a time as we receive additional bids.

**A motion was made / seconded, (Lloyd Weaver / Alfonse Peterson) to accept recommendation of Edward Lujano, CEO, that this item be tabled until such a time as we receive additional bids, Exhibit 6. Motion carried. Kory Billings abstained.**

## AGENDA FOR CLOSED SESSION

Edward Lujao stated that there will be a Performance Improvement report under Section 1461 of the Health and Safety Code – Quality Management.

There will also be a report under Section 54954 under legal actions.

## NEXT MEETING DATE

The next Board of Directors Meeting will be held on Thursday, September 29, 2016 at 2:00 p.m. in the Board Room.

The Finance Committee will also meet on Thursday, September 29, 2016 at 1:30 p.m. in the Board Room.

Alfonse Peterson thanked the Board of Directors and staff for all of the support sent his way with the passing of his wife.

**ADJOURNMENT**

As there was no further business, the meeting adjourned into closed session at 2:56 pm.

The meeting reconvened into public session at 3:14 pm and adjourned. No action taken.

Respectfully Submitted,

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Fily Cale  
Executive Assistant

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Alfonse Peterson  
Board Secretary

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)  
FINANCE COMMITTEE MEETING  
BOARD ROOM  
Wednesday, August 31, 2016  
1:30 p.m.**

Committee: Edward Lujano, CEO; Fily Cale, Executive Assistant; Alfonse Peterson, Committee Chair and Glenn Arnold, Committee Member

Others Present: Dawnita Castle, Senior Accountant; Kory Billings, Board Member and Rosalie Heppner, Board Chair

Absent: Bill Able, CFO

**CALL TO ORDER**

Al Peterson, Committee Chair, called the meeting to order at 1:30 p.m. in the Board Room.

**APPROVAL OF AGENDA**

**A motion was made/seconded, (Edward Lujano / Glenn Arnold) to approve the August 31, 2016 agenda as presented. Motion carried.**

**PUBLIC COMMENTS**

None.

**APPROVAL OF FINANCE COMMITTEE MINUTES**

A. July 28, 2016 Finance Committee Minutes, Exhibit 1

**A motion was made / seconded, (Glenn Arnold / Edward Lujano) to approve and accept the June 30, 2016 Finance Committee Minutes with correction, Exhibit 1. Motion carried.**

**REVIEW OF DISTRICT FINANCIAL STATEMENTS, EXHIBIT 2**

Dawnita Castle, Senior Accountant, reported that the FYE 2016 auditors were here for two days. They stated that everything looked clean and no adjustments were needed. CCDSC will show a net profit of \$397,082 compared to a loss of \$112, 930 the prior years.

BMHD had a net profit before depreciation in the amount of \$29,369 and a net loss after depreciation in the amount of \$29,876 for a depreciation expense of \$59,000.

For July, the Operating Cash Balance was \$1,144,443 and the Days Cash On Hand are at 93. And the Bloss Trust revenue was at \$40,250.

**A motion was made / seconded, (Glenn Arnold / Edward Lujano) to approve and accept the Review of District Financial Statements, Exhibit 2. Motion carried.**

### **CCDSC FINANCIAL REPORT, EXHIBIT 3**

Dawnita Castle reported that for July 2016, CCDSC treated 207 cases and had a net profit before overhead expenses in the amount of \$30,582 and a net profit of \$24,669 after overhead expenses.

### **SKDSC FINANCIAL REPORT, EXHIBIT 4**

Dawnita Castle reported that SKDSC total expenses for July 2016 were \$21,111.

### **CDSC FINANCIAL REPORT, EXHIBIT 5**

Dawnita Castle reported that for the month of July 2016, CDSC treated 184 cases and recorded a net loss of \$40,970.

Edward Lujano commented that he had asked Jim Graham to re-list the Parlier facility as a non-surgical center, so that we don't limit ourselves. We would be able to split the facility if needed and be able to lease it as office space.

### **DENTAL CENTERS' COMPARISON, EXHIBIT 6**

Dawnita Castle reported that CDSC cases are up \$883 compared to CCDSC. CDSC net revenue per patient is \$85 lower than CCDSC and expenses are up \$162 per patient.

Edward Lujano stated that they will be bringing back the employee incentive program. Staff will be able to provide the parents with information and education on Nu-Smiles.

**A motion was made / seconded, (Edward Lujano / Glenn Arnold) to approve and accept the CCDSC Financial Report, Exhibit 3; SKDSC Financial Report, Exhibit 4; CDSC Financial Report, Exhibit 5 and Dental Centers' Comparison, Exhibit 6. Motion carried.**

### **WARRANTS AND PAYROLL**

A. July Payroll, Electronic Payments & Check Register, Exhibit 7

**A motion was made/seconded, (Glenn Arnold / Edward Lujano) to approve and accept the July 2016 Total Payroll in the amount \$61,836.98 and Total Accounts Payable in the amount of \$409,085.55 for a total Grand Total Disbursement of \$470,922.53, Exhibit 7. Motion carried.**



**DISCUSSION**

Alfonse Peterson thanked everyone and appreciates the condolences offered.

Edward Lujano reported that Bill Able, CFO, will be out until February 2017 and Dawnita Castle, Senior Accountant will be taking him place in the interim.

**AGENDA FOR CLOSED SESSION**

There was no Closed Session item(s) for discussion.

**NEXT MEETING DATE/ADJOURNMENT**

The next Finance Committee meeting will be held on Thursday, September 29, 2016 at 1:30 pm.

As there was no further business, the meeting adjourned at 1:43 p.m.

Respectfully Submitted,

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Fily Cale  
Executive Assistant

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Alfonse Peterson  
Committee Chair

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CHIEF FINANCIAL OFFICER REPORT

BMHD had a total net gain before depreciation of \$13,619 for the month compared to a net gain of \$65,464 last year. Expenses include \$21,224 of SKDSC costs.

The August 31, Operating Cash Balance was \$1,270,296 and Days Cash On Hand was 100 Days\*. In July the DCH was 93 Days.

\* Days Cash on Hand (DCH) = Operating Cash / Average Daily Expense (excluding depreciation). DCH indicates Bloss's ability to cover operating expenses. The Benchmark for Health Centers is a minimum of 90 Days.

Dental Surgery Center Summary :

	CCDSC	SKDSC	CDSC	COMBINED					
Net Operating Revenue and Non-Operating Operating Expenses	\$271,646 238,344	\$0 21,224	\$336,698 335,219	\$608,344 594,787					
Net Income (Loss)	33,302	(21,224)	1,479	13,557					
BMHCD % Share	100.00%	100.00%	65.00%	N/A					
Bloss Share of Net Income (Loss)	\$33,302	(\$21,224)	\$961	\$13,039					
	Aug-16	Aug-15	VARIANCE *	%		Y-T-D Aug-16	Y-T-D Aug-15	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	264,964	311,644	(46,680)	-14.98%		529,496	604,254	(74,758)	-12.37%
Other Operating Revenue	1,066	6,202	(5,136)	-82.81%		3,217	7,975	(4,758)	-59.66%
Total Net Operating Revenue	266,030	317,846	(51,816)	-16.30%		532,713	612,229	(79,516)	-12.99%
Operating Expenses Excluding Depreciation	393,235	415,280	22,045	5.31%		773,189	838,368	65,179	7.77%
Net Operating Income (Loss) Before Depreciation	(127,205)	(97,434)	(29,771)	-30.56%		(240,476)	(226,139)	(14,337)	-6.34%
Net Non Operating-Gains/Losses	61	(2,249)	2,310	N/A		5,281	(2,069)	7,350	-355.24%
Gain/Loss on Investments	962	27,734	26,772	96.53%		(25,669)	51,375	(77,044)	149.96%
CDSC Gain/Losses	139,801	137,413	(2,388)	-1.74%		303,652	305,643	(1,992)	-0.59%
All Other Non-Operating Gains/Losses	140,824	162,898	22,074	13.55%		283,464	352,700	(69,237)	-19.63%
Total Net Non-Operating Income: Losses/Gains	13,619	65,464	(51,845)	-79.20%		42,988	126,561	(83,574)	-66.03%
Total Net Income (Loss) Before Depreciation	59,443	53,092	6,351	11.96%		118,688	114,752	3,936	3.43%
Depreciation Expense	(45,824)	12,372	(58,196)	-470.38%		(75,701)	11,809	(87,510)	-741.04%
Net Income (Loss) After Depreciation									

\* Note: unfavorable variances are indicated by parenthesis ( ).

Bloss Memorial HealthCare District  
 Operations Summary Report  
 Two Months Ending August 31, 2016

Total CFHC Inc. encounters for the month are 11,551 compared to 9,750 last year, a 18.47% increase.  
 CCDCS cases for the month are 17.48% less than last year.  
 CDSC cases for the month are 10.25% less than last year.

Department	Aug-16	Aug-15	VARIANCE	%	Aug-16	Aug-15	VARIANCE *	%	Y-T-D	Aug-15	VARIANCE *	Y-T-D	Y-T-D	%
Castle Clinic	3,645	2,791	854	30.60%	6,321	5,320	1,001	18.82%						
Specialty Clinic	1,071	1,002	69	6.89%	1,976	1,937	39	2.01%						
Bloss Clinic	995	1,137	(142)	-12.49%	1,943	2,012	(69)	-3.43%						
Winton Clinic	752	518	234	45.17%	1,311	987	324	32.83%						
Urgent Care	1,121	849	272	32.04%	1,413	1,068	345	32.30%						
Lab	1,739	1,684	55	3.27%	3,354	3,382	(28)	-0.83%						
Radiology	556	416	140	33.65%	979	778	201	25.84%						
Behavioral Health	246	215	31	14.42%	445	455	(10)	-2.20%						
Adult Day Health Care	560	503	57	11.33%	1,026	980	46	4.69%						
Optometry	552	384	168	43.75%	1,054	767	287	37.42%						
Ophthalmology	314	251	63	25.10%	609	554	55	9.93%						
<b>TOTAL ENCOUNTERS</b>	<b>11,551</b>	<b>9,750</b>	<b>1,801</b>	<b>18.47%</b>	<b>20,431</b>	<b>18,240</b>	<b>2,191</b>	<b>12.01%</b>						

Bloss Memorial Health Care District

	Aug-16	Aug-15	VARIANCE	%	Aug-16	Aug-15	VARIANCE *	%
Central California Dental Surgery Center	203	246	(43)	-17.48%	410	477	(67)	-14.05%
Childrens Surgery Center	254	283	(29)	-10.25%	438	567	(129)	-22.75%
<b>Total Surgery Center Visits</b>	<b>457</b>	<b>529</b>	<b>(72)</b>	<b>-13.61%</b>	<b>848</b>	<b>1,044</b>	<b>(196)</b>	<b>-18.77%</b>

August-16 Working Days 23  
 August-15 Working Days 21

Bloss Memorial HealthCare District  
 Operations Summary Report  
 Two Months Ending August 31, 2016

**BMHD FULL TIME EQUIVALENTS SUMMARY :**

(See FTE report included in Financial Reports for detail)

	Aug-16	Aug-15	VARIANCE	%	Y-T-D Aug-16	Y-T-D Aug-15	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	12.37	13.53	1.16	8.57%	12.70	13.60	0.90	6.62%
CONTRACT FTE'S	5.97	5.69	(0.28)	-4.92%	5.31	5.51	0.20	3.63%
<b>TOTAL FTE'S</b>	<b>18.34</b>	<b>19.22</b>	<b>0.88</b>	<b>4.58%</b>	<b>18.01</b>	<b>19.11</b>	<b>1.10</b>	<b>5.76%</b>

\* Note: unfavorable variances above are indicated by parenthesis ( ).

Full Time Equivalent - Employees for the month are 8.57% less than the prior year with 1.16 less FTE'S

The major (>1 fte) Total Employee FTE increases for the month are comprised primarily of the following :

Department	Cur. Mo. Increase (DECREASE)	YTD Increase (DECREASE)	Reason
CCDSC	(1.16)	(0.99)	Less Clerical
All other departments < 1 fte var	0.00	0.09	Various departments less than 1 fte variance.
	(1.16)	(0.90)	Brackets ( ) indicate a decrease (favorable) variance

AUGUST 2016 PAYROLL ELECTRONIC PAYMENTS  
& CHECK REGISTER

Bloss Memorial Healthcare District  
 Payroll, Accounts Payable and Funds Disbursements - Summary  
 Month of August-16

Payroll			<u>\$113,575.03</u>
<b>Total Payroll</b>			<u><b>\$113,575.03</b></u>
Accounts Payable:			
A/P Checks	Bloss	<u>\$123,286.73</u>	<u>\$123,286.73</u>
Auto Debits		\$2,896.97	
Electronic Payments to Castle on Payable		<u>\$43,339.40</u>	
Total Auto Debits and Electronic Transfers		<u>\$46,236.37</u>	<u>\$46,236.37</u>
Profeses paid through Payroll system			
Total ACH Pro Fees 1099'S		<u>\$47,543.00</u>	<u>\$47,543.00</u>
Electronic Payments - ACH		<u>\$228,579.36</u>	<u>\$228,579.36</u>
<b>Total Accounts Payable</b>			<u><b>\$445,645.46</b></u>
<b>Grand Total Disbursements</b>			<u><b>\$559,220.49</b></u>

BLOSS	Payroll Disbursements for		August-16
	Payroll dated		
	08/05/16	08/20/16	Total
<b>Earnings</b>			
Regular			-
Overtime			-
Vacation			-
Sick			-
Holiday	-	-	-
Salary	3,500.00	3,500.00	7,000.00
Double Time			-
Call In			-
On Call			-
Other			-
			-
CCDSC Surgery Center	22,609.14	22,668.03	45,277.17
CDSC Surgery Center	25,428.78	26,687.85	52,116.63
			-
<b>Total</b>	<b>51,537.92</b>	<b>52,855.88</b>	<b>104,393.80</b>
			-
<b>Deductions</b>			-
FICA (+)	3,878.17	3,979.01	7,857.18
Insurance (-)	(1,432.12)	(1,437.12)	(2,869.24)
Emp Deduction(-)/Reimb(+)	3,884.52	711.50	4,596.02
Christmas Fund (-)	(505.00)	(505.00)	(1,010.00)
Process Fee (+)	441.14	166.13	607.27
			-
<b>Total</b>	<b>6,266.71</b>	<b>2,914.52</b>	<b>9,181.23</b>
			-
			-
<b>Net Payroll</b>	<b>\$ 57,804.63</b>	<b>\$ 55,770.40</b>	<b>113,575.03</b>



RUN DATE: 08/31/16  
 RUN TIME: 1510  
 RUN USER: COOKS

Castle Family Health Centers AP \*\*LIVE\*\*  
 CHECK REGISTER BY DATE

C FROM 08/01/16 TO END							AMOUNT	
DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	ISSUED/ CLEARED	VOIDED/ UNCLAIMED	
08/04/16	036581	B0005	A-1-A/PRESTON'S LOCK SHOP	VOIDED	08/05/16		54.00	
			COMMENT: S/B CASTLE					
08/04/16	036582	B0084	AMERICHEK	ISSUED	08/04/16	42.00		
08/04/16	036583	B0060	GLENN ARNOLD	ISSUED	08/04/16	200.00		
			REMITTED TO: ARNOLD, GLENN					
08/04/16	036584	B0189	BERLINER COHEN	ISSUED	08/04/16	3330.78		
08/04/16	036585	B0132	CLARK PEST CONTROL	ISSUED	08/04/16	289.00		
08/04/16	036586	B0030	HD SUPPLY FACILITIES MAINTENANCE	ISSUED	08/04/16	106.91		
08/04/16	036587	B0059	LLOYD WEAVER	ISSUED	08/04/16	100.00		
08/04/16	036588	K0003	M-D VENTURES	ISSUED	08/04/16	18912.55		
08/04/16	036589	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	08/04/16	9011.75		
08/04/16	036590	B0133	MERCED/MODESTO COMMERCIAL SWEEPERS	ISSUED	08/04/16	240.00		
08/04/16	036591	B0064	PETERSON, ALFONSE	ISSUED	08/04/16	400.00		
08/04/16	036592	B0014	PG&E (4705482162-5)	ISSUED	08/04/16	7898.36		
08/04/16	036593	B0042	RALPH TEMPLE	ISSUED	08/04/16	540.00		
08/04/16	036594	B0061	ROSALIE HEPPNER	ISSUED	08/04/16	300.00		
08/04/16	036595	B0210	THE DEPARTMENT OF PUBLIC HEALTH	ISSUED	08/04/16	4178.16		
08/04/16	036596	B0013	WEST COAST GAS CO, INC.	ISSUED	08/04/16	1802.96		
08/04/16	036597	B0056	CARDMEMBER SERVICE (9140)	ISSUED	08/04/16	78.39		
08/04/16	036598	B0015	WINTON, WATER & SANITARY DISTRICT	ISSUED	08/04/16	72.80		
08/08/16	036599	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	08/08/16	5000.00		
08/08/16	036600	B0114	ALRENA JANACEK	ISSUED	08/08/16	377.42		
08/08/16	036601	B0116	DOROTHY BIZZINI	ISSUED	08/08/16	1320.97		
08/08/16	036602	B0120	ED ROSSI	ISSUED	08/08/16	188.71		
08/08/16	036603	B0112	GREGORY FLOYD	ISSUED	08/08/16	377.42		
08/08/16	036604	B0115	KAREN BIZZINI	ISSUED	08/08/16	377.42		
08/08/16	036605	B0113	UNITED METHODIST CHURCH OF ATWATER	ISSUED	08/08/16	188.71		
08/12/16	036606	B0107	BAKER MANOCK & JENSEN	ISSUED	08/12/16	83.23		
08/12/16	036607	B0072	BETA HEALTHCARE GROUP	ISSUED	08/12/16	2655.21		
08/12/16	036608	B0129	CALIFORNIA BOILER, INC.	ISSUED	08/12/16	1000.00		
08/12/16	036609	K0035	CITY OF PARLIER	ISSUED	08/12/16	204.09		
08/12/16	036610	B0132	CLARK PEST CONTROL	ISSUED	08/12/16	75.00		
08/12/16	036611	B0153	GEIL ENTERPRISES INC.	ISSUED	08/12/16	2808.00		
08/12/16	036612	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	08/12/16	1395.40		
08/12/16	036613	B0016	GUARDCO SECURITY SERVICES	ISSUED	08/12/16	1680.00		
08/12/16	036614	B0030	HD SUPPLY FACILITIES MAINTENANCE	ISSUED	08/12/16	274.22		
08/12/16	036615	B0043	INSIGHT EMPLOYEE ASSISTANCE PRGRM	ISSUED	08/12/16	65.40		
08/12/16	036616	K0034	JOE S RODRIGUEZ	ISSUED	08/12/16	375.00		
08/12/16	036617	B0004	MIT PLUMBING	ISSUED	08/12/16	85.00		
08/12/16	036618	B0166	PROCLEAN	ISSUED	08/12/16	82.25		
08/12/16	036619	B0211	SAVE MART SUPERMARKET	ISSUED	08/12/16	8.99		
08/12/16	036620	K0057	THE GAS COMPANY	ISSUED	08/12/16	15.29		
08/12/16	036621	B0102	THE HARTFORD	ISSUED	08/12/16	219.90		
08/12/16	036622	B0044	TRIPP SECURITY SYSTEMS	ISSUED	08/12/16	20.00		
08/16/16	036623	B0212	JAVIER MENDOZA	ISSUED	08/16/16	1621.00		
08/18/16	036624	B0037	CARDMEMBER SERVICE (1793)	ISSUED	08/18/16	1910.29		
08/19/16	036625	B0030	HD SUPPLY FACILITIES MAINTENANCE	ISSUED	08/19/16	140.38		

RUN DATE: 08/31/16  
 RUN TIME: 1510  
 RUN USER: COOKS

Castle Family Health Centers AP \*\*LIVE\*\*  
 CHECK REGISTER BY DATE

C  
 FROM 08/01/16 TO END

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
08/19/16	036626	B0038	KINGS VIEW WEC	ISSUED	08/19/16	1926.00	
08/19/16	036627	B0211	SAVE MART SUPERMARKET	ISSUED	08/19/16	13.48	
08/22/16	036628	B0026	MERCED IRRIGATION DISTRICT	ISSUED	08/22/16	31442.05	
08/22/16	036629	B0027	CITY OF ATWATER (010448-000)	ISSUED	08/22/16	726.49	
08/22/16	036630	B0134	CITY OF ATWATER (020161-000)	ISSUED	08/22/16	617.30	
08/22/16	036631	B0132	CLARK PEST CONTROL	ISSUED	08/22/16	460.00	
08/22/16	036632	B0016	GUARDCO SECURITY SERVICES	ISSUED	08/22/16	1848.00	
08/22/16	036633	B0025	MERCED IRRIGATION DISTRICT	ISSUED	08/22/16	315.65	
08/22/16	036634	B0004	MIT PLUMBING	ISSUED	08/22/16	141.26	
08/22/16	036635	B0142	MURPHY AUSTIN ADAMS SCHOENFELD LLP	ISSUED	08/22/16	811.25	
08/22/16	036636	B0212	JAVIER MENDOZA	ISSUED	08/22/16	735.00	
08/22/16	036637	B0007	RON GRISSOM	ISSUED	08/22/16	120.00	
08/22/16	036638	B0039	VALERO MARKETING AND SUPPLY CO.	ISSUED	08/22/16	337.35	
08/25/16	036639	B0199	ANTHEM BLUE CROSS	ISSUED	08/25/16	10045.17	
08/25/16	036640	B0099	EMPLOYMENT DEVELOPMENT DEPT	ISSUED	08/25/16	1004.00	
08/25/16	036641	B0030	HD SUPPLY FACILITIES MAINTENANCE	ISSUED	08/25/16	41.31	
08/25/16	036642	B0185	SJVAPCD	ISSUED	08/25/16	528.00	
08/31/16	036643	B0035	DOM'S ELECTRIC MOTOR SHOP	ISSUED	08/31/16	210.78	
08/31/16	036644	K0044	PG&E	ISSUED	08/31/16	183.20	
08/31/16	036645	B0021	PG&E (1384254881-3)	ISSUED	08/31/16	883.26	
08/31/16	036646	B0019	PG&E (1832229927-4)	ISSUED	08/31/16	9.03	
08/31/16	036647	B0020	PG&E (1873896591-4)	ISSUED	08/31/16	582.84	
08/31/16	036648	B0056	CARDMEMBER SERVICE (9140)	ISSUED	08/31/16	252.35	
TOTAL \$						123286.73	54.00

Bloss Memorial Healthcare District  
**Bloss Electronic Transfers**

**Bloss Auto Debits**

Bank Fees		<u>166.97</u>
	<b>Total</b>	<b><u>166.97</u></b>

Electronic Payments to Payroll People - Annual Support		2,730.00
Electronic Payments to Castle on Payable		<u>43,339.40</u>
	<b>Total</b>	<b><u>46,069.40</u></b>

	<b>Grand Total</b>	<b><u>46,236.37</u></b>
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ACH DENTAL PRO FEES 1099'S

Aug-16

DESCRIPTION	ACCOUNT	AMOUNT	
PRO FEES :	SERVICE	PYMT METHOD	AMOUNT
KIM, JOSEPH	Dentist	Check	\$ 16,443.00
JUNG, WONIL	Dentist	Check	\$ 11,100.00
WESTERHAUS, DAVID	Anesthesia	Check	\$ -
SOLOMON, PERRY	Director Fees	Check	\$ 5,000.00
HCBINTEL-DAVID THOMPSON	Administrator	Check	\$ 15,000.00
ADMINISTRATOR			\$ 15,000.00
DIRECTOR FEES		6022	\$ 5,000.00
ANESTHESIOLOGISTS		6027	\$ -
DENTISTS		6028	\$ 27,543.00
TOTAL			<u>\$ 47,543.00</u>

RUN DATE: 08/31/16  
 RUN TIME: 1449  
 RUN USER: COOKS

Castle Family Health Centers AP \*\*LIVE\*\*  
 ELECTRONIC PAYMENT NUMBER LIST

C  
 FROM D103277 TO D104000

PMT NUM	DATE	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED	VOIDED
D103568	08/04/16	B0046	BABAK RAZMAZMA	DIRECTD	08/04/16	15800.00	
D103570	08/04/16	B0079	ALEJANDRO R. MARQUEZ, DDS INC.	DIRECTD	08/04/16	12600.00	
D103571	08/04/16	B0149	SUNG Y. CHO DDS, INC.	DIRECTD	08/04/16	16712.75	
D103572	08/04/16	B0152	SO YOUNG PARK, DDS INC.	DIRECTD	08/04/16	9047.50	
D103573	08/04/16	B0162	JINO PARK, D.D.S.	DIRECTD	08/04/16	10672.46	
D103574	08/04/16	B0178	CHRISTOPHER CHIU, D.D.S., INC.	DIRECTD	08/04/16	11900.00	
D103586	08/10/16	C0001	OMNI MEDICAL PROPERTIES	DIRECTD	08/10/16	34070.90	
D103779	08/18/16	B0046	BABAK RAZMAZMA	DIRECTD	08/18/16	12900.00	
D103781	08/18/16	B0079	ALEJANDRO R. MARQUEZ, DDS INC.	DIRECTD	08/18/16	11655.00	
D103782	08/18/16	B0149	SUNG Y. CHO DDS, INC.	DIRECTD	08/18/16	15132.50	
D103783	08/18/16	B0152	SO YOUNG PARK, DDS INC.	DIRECTD	08/18/16	11433.75	
D103784	08/18/16	B0162	JINO PARK, D.D.S.	DIRECTD	08/18/16	15683.60	
D103785	08/18/16	B0178	CHRISTOPHER CHIU, D.D.S., INC.	DIRECTD	08/18/16	16900.00	
D104000	08/30/16	C0001	OMNI MEDICAL PROPERTIES	DIRECTD	08/30/16	34070.90	
TOTAL \$						228579.36	

CASTLE FAMILY HEALTH CENTER, INC REPORT

Castle Family Health Centers Inc  
 Operations Summary Report  
 Two Months Ending August 31, 2016

Total encounters for the month are 11,551 compared to 9,750 last year, a 18.47% increase.

Department	Aug-16	Aug-15	VARIANCE	%	Y-T-D Aug-16	Y-T-D Aug-15	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	3,645	2,791	854	30.60%	6,321	5,320	1,001	18.82%
Specialty Clinic	1,071	1,002	69	6.89%	1,976	1,937	39	2.01%
Bloss Clinic	995	1,137	(142)	-12.49%	1,943	2,012	(69)	-3.43%
Winton Clinic	752	518	234	45.17%	1,311	987	324	32.83%
Urgent Care	1,121	849	272	32.04%	1,413	1,068	345	32.30%
Lab	1,739	1,684	55	3.27%	3,354	3,382	(28)	-0.83%
Radiology	556	416	140	33.65%	979	778	201	25.84%
Behavioral Health	246	215	31	14.42%	445	455	(10)	-2.20%
Adult Day Health Care	560	503	57	11.33%	1,026	980	46	4.69%
Optometry	552	384	168	43.75%	1,054	767	287	37.42%
Ophthalmology	314	251	63	25.10%	609	554	55	9.93%
<b>TOTAL ENCOUNTERS</b>	<b>11,551</b>	<b>9,750</b>	<b>1,801</b>	<b>18.47%</b>	<b>20,431</b>	<b>18,240</b>	<b>2,191</b>	<b>12.01%</b>

August-16 Working Days 23  
 August-15 Working Days 21

APPROVAL OF AGREEMENT OF MERGER AND  
AMENDED AND RESTATED JOINT POWERS  
AGREEMENTS (ALPHA FUND / BETA)



September 9, 2016

Edward Lujano  
Bloss Memorial Hospital District  
3605 Hospital Road  
Suite H  
Atwater, CA 95301-3692

Dear Edward,

You are receiving this email because **Bloss Memorial Hospital District** is a member of ALPHA Fund, a California joint powers authority (“**ALPHA Fund**”). ALPHA Fund’s governing board, the board of directors of the Association of California Healthcare Districts, Inc., (“**ACHD**”), and ALPHA Council have requested your organization to approve the proposed merger between ALPHA Fund and BETA Healthcare Group Risk Management Authority (“**BETA**” or “**BETARMA**”). As detailed in my email of August 23, 2016, this merger will result in ALPHA Fund merging with BETARMA and BETARMA will be the surviving JPA, effective on or after January 3, 2017.

ACHD and ALPHA Fund retained corporate counsel, Carter & West PC, to negotiate and prepare these agreements. The Board of Directors of ACHD and ALPHA Council unanimously approved these agreements at meetings on August 22, 2016. ACHD directors, Samuel (Mike) McCreary, PhD and Robert Hemker, also serve on the board of directors of BETARMA. They abstained from the discussion and voting at the ACHD board of directors’ meeting. They also abstained from discussion and voting at the BETA board of directors meeting in which the agreements were approved.

In order for this merger and related transactions to be approved, a majority of the participants of both ALPHA Fund and BETARMA must approve these agreements. Please review and approve the Agreement of Merger and the following documents, which are included as exhibits to the Agreement of Merger:

1. ALPHA Fund Ballot for Approval of the Agreement of Merger and Amended and Restated Joint Powers Agreements (the “**Ballot**”)
2. Agreement of Merger is Attachment A to the Ballot. The Agreement of Merger includes the following:
  - a. Exhibit A Amended and Restated BETA JPAA (for surviving entity)
  - b. Exhibit B Amended and Restated BETA Bylaws (for surviving entity)
  - c. Exhibit C Amendment to Support Agreement (for the benefit of ACHD)
  - d. Exhibit D-1 Closing Certificate for ALPHA
  - e. Exhibit D-2 Closing Certificate for ACHD
  - f. Exhibit D-3 Closing Certificate for BETA
  - g. Exhibit E Amendment to Termination Agreement (for the benefit of BETA)
  - h. Exhibit F Resignation (by ACHD as Coordinator of ALPHA)
  - i. Exhibit G 2016 Amended and Restated ALPHA JPA
    - i. This makes it clear that ALPHA Fund is an entity separate and apart from its participants and shall be effective 12/31/2016 so that it’s in place before the merger.
    - ii. See Article XII, Section 1, p.17. This is Exhibit G to the Agreement of Merger.
  - j. Exhibit H Deed (for BETA to record post-closing confirming title is vested properly)
3. Redline of the 2016 Amended and Restated JPA against the current JPA.

{2779/08/00075135:3}

I have enclosed the following attachments to this letter. :

- 1) The Ballot;
- 2) Amended and Restated ALPHA Fund Joint Powers Agreement to be effective 12/31/2016;
- 3) Amended and Restated BETA Healthcare Group Joint Powers Authority Agreement;
- 4) Signature pages.

To make execution easier, the 4<sup>th</sup> item, "signature pages," includes only the three (3) pages that you must sign. Please indicate your approval of these agreements by returning a scanned PDF of the executed signature pages by email to Diana Watts ([diana.watts@alphafund.org](mailto:diana.watts@alphafund.org)) or by mail to Diana Watts, ALPHA Fund, P.O. Box 619084, Roseville, CA 95661-9084. We are hoping to receive this from you by no later than November 14, 2016.

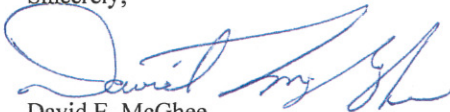
***If your organization's board of directors has not delegated to you the authority to approve these agreements and sign these agreements, then we kindly ask that you add this issue as an agenda item for your next board of directors' meeting so we can ensure receipt of your signature page by November 14.***

Please also note that if you are a member of both ALPHA Fund and BETARMA, you must approve the documents BETARMA sent to you and deliver your signature pages to them and also approve the documents we are sending to you and deliver your signature pages to those documents to us.

Per the ALPHA Fund JPA, Article XII, Section 1, the current ALPHA Fund members must have a 60-day opportunity to review and comment on such amendments.

If you have any questions or concerns regarding any of the above, please contact me.

Sincerely,



David E. McGhee  
Chief Executive Officer

{2779/08/00075135:3}

**ALPHA FUND BALLOT  
FOR  
APPROVAL OF THE AGREEMENT OF MERGER AND  
AMENDED AND RESTATED JOINT POWERS AGREEMENTS**

1. The undersigned is a Participant in ALPHA Fund, a California joint powers authority (“ALPHA”) created pursuant to Government Code Section 6500, et. seq., and the ALPHA Fund Joint Powers Agreement dated June 30, 2007 (the “ALPHA Fund JPA”). “Participant” is defined in the ALPHA Fund JPA.

2. BETA Healthcare Group Risk Management Authority, a California joint powers authority (“BETA”) was created pursuant to Government Code Section 6500, et. seq., and the BETA Healthcare Group Risk Management Authority Joint Powers Authority Agreement first dated as of October 1, 1989 and most recently amended and restated as of April 4, 2014.

3. ALPHA’s governing board, the Board of Directors of the Association of California Healthcare Districts, Inc., and the ALPHA Council, as defined in the ALPHA Fund JPA, have approved the Agreement of Merger in substantially the same form as attached hereto as ATTACHMENT A (the “Merger Agreement”), by which ALPHA and BETA would merge and BETA would be the surviving entity.

Check the box below to vote:

- APPROVED. The undersigned Participant has reviewed and does hereby vote in favor of, approve and duly adopt the Merger Agreement and each of its exhibits, including the Amended and Restated BETA JPAA and the 2016 Amended and Restated ALPHA JPA (each as defined in the Merger Agreement), in full satisfaction of Section 4(a)(iv) of the Merger Agreement.
  
- DISAPPROVED. The undersigned Participant has reviewed and does NOT hereby vote in favor of, approve or duly adopt the Merger Agreement and each of its exhibits, including the Amended and Restated BETA JPAA and the 2016 Amended and Restated ALPHA JPA (each as defined in the Merger Agreement), in full satisfaction of Section 4(a)(iv) of the Merger Agreement.

This is effective as of \_\_\_\_\_, 2016. I represent and warrant I have all power and authority to bind the Participant for which I am signing.

\_\_\_\_\_  
[Name of Healthcare Entity/Named Member]

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

For ALPHA Fund to count your vote, you must deliver a completed and signed copy of this ballot to ALPHA Fund no later than November 7, 2016.