



Agenda

Tuesday, February 23, 2016

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. **CALL TO ORDER**
ROLL CALL – Clerk to the Board

2. **APPROVAL OF MINUTES**
Approval of the minutes from the January 26, 2016 regular meeting.

3. **NEW BUSINESS ACTION ITEMS**
 - A. Consideration of approving Resolution 16-01DA, authorizing amendments to the Indentures and Loan Agreements for Verity Health System, Series 2015A, 2015B, 2015C, and 2015D.
 - B. Consideration of Invoice Request 16-01IR for US Bank for services as custodian to CalPFA accounts.

4. **PUBLIC COMMENT**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.

5. **STAFF UPDATES**

6. **ADJOURNMENT**
Adjourn as the California Public Finance Authority.



CALIFORNIA
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FINANCE
AUTHORITY

2. APPROVAL OF MINUTES

Approval of the minutes from the January 26, 2016 regular meeting.



Action Summary

Tuesday, January 26, 2016

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. B1 **CALL TO ORDER**
ROLL CALL – Clerk to the Board
MEMBERS PRESENT: NEVES, VERBOON, PEDERSEN, FAGUNDES
MEMBERS ABSENT: VALLE

2. **APPROVAL OF MINUTES**
Approval of the minutes from the January 12, 2016 regular meeting.
ACTION: APPROVED AS PRESENTED (JN/RF/CP/DV-Aye, RV-Absent)

3. B2 **NEW BUSINESS ACTION ITEM**
A. Consideration of approving resolution 16-01C approving the Authorized Signatories for California Public Finance Authority.
ACTION: APPROVED AS PRESENTED (JN/CP/RF/DV-Aye, RV-Absent)

4. B3 **DISCUSSION ITEM**
Discuss proposed CDLAC regulation changes.
INFORMATION ONLY - NOA

5. **PUBLIC COMMENT**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.
None

6. **STAFF UPDATES**
Scott Carper stated that the City of Santa Ana has joined the California Public Financing Authority following a TEFRA hearing there last week.

7. **ADJOURNMENT**
The meeting was adjourned at 11:07 a.m.



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3. NEW BUSINESS ACTION ITEM

- A. Consideration of approving Resolution 16-01DA, authorizing amendments to the Indentures and Loan Agreements for Verity Health System, Series 2015A, 2015B, 2015C, and 2015D.



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DATE: FEBRUARY 23, 2015

BORROWER: VERITY HEALTH SYSTEM OBLIGATED GROUP

PURPOSE: CONSIDERATION OF AMENDMENTS TO THE INDENTURES AND LOAN AGREEMENTS RELATING TO CALPFA REVENUE NOTES ISSUED ON BEHALF OF VERITY HEALTH SYSTEM OF CALIFORNIA

PRIMARY ACTIVITY: REGIONAL HEALTHCARE SYSTEM

LEGAL STRUCTURE: NONPROFIT PUBLIC BENEFIT CORPORATION

Background:

On December 14, 2015, CalPFA issued \$160,000,000 of revenue notes on behalf of Verity Health System of California in four separate series. The 2015A, 2015B, 2015C, and 2015D notes (the “Notes”) were issued pursuant to four separate indentures and four separate loan agreements for the purpose of facilitating a tax-exempt working capital loan from BlueMountain Capital Management to Verity Health System of California (formerly known as the Daughters of Charity Health System (“DCHS”)) to help recapitalize its operations and maintain the essential services that each of its six hospitals provide to their communities. In connection with the BlueMountain transaction, the name of DCHS was changed to Verity Health System of California and the organization was changed from a nonprofit religious corporation to a nonprofit public benefit corporation.

The Notes are secured by four separate obligations issued pursuant to a master indenture of trust, dated December 1, 2001, between Verity Health System (formerly DCHS) and U.S. Bank National Association, serving as the master trustee. On January 1, 2016, the master trust indenture was amended between Verity Health System and the U.S. Bank, therefore, Verity Health System is requesting the CalPFA Board consider entering into amendments to each of the indentures and loan agreements for each of the Notes to conform certain provisions made to the master trust indenture.

Recommendation:

In order to conform changes made to the master trust indenture on January 1, 2016, to the CalPFA indentures and loan agreements executed pursuant to the issuance of the 2015 Notes, it is recommended that the Board of Directors approve the Resolution as submitted, which:

1. Approves the First Amendment to the Indenture and First Amendment to the Loan Agreement for the 2015 Notes;
2. Approves all necessary actions and documents for the amendments; and
3. Authorizes any member of the Board or Authorized Signatory to sign all necessary documents.

RESOLUTION NO. 16-01DA

CALIFORNIA PUBLIC FINANCE AUTHORITY

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE INDENTURES AND LOAN AGREEMENTS RELATING TO THE CALIFORNIA PUBLIC FINANCE AUTHORITY REVENUE NOTES (VERITY HEALTH SYSTEM), SERIES 2015A, 2015B, 2015C AND 2015D AND OTHER MATTERS RELATING THERETO

WHEREAS, on December 14, 2015, the California Public Finance Authority (the "Authority") issued the California Public Finance Authority Revenue Notes (Verity Health System), Series 2015A, Series 2015B, Series 2015C and Series 2015D (the "Notes") pursuant to four separate Indentures, each dated as of December 1, 2015 (the "Indentures"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee");

WHEREAS, concurrently with the issuance of each series of the Notes, the Authority loaned the proceeds of each series of the Notes to Verity Health System of California, Inc. (the "Corporation"), pursuant to four separate loan agreements (the "Loan Agreements") between the Authority and the Corporation;

WHEREAS, the Notes are secured by four separate Obligations issued pursuant to a master indenture of trust, dated as of December 1, 2001 (the "Master Indenture"), between the Corporation (formerly known as Daughters of Charity Health System) and certain other nonprofit public benefit corporations named therein and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, as master trustee (the "Master Trustee"), and four separate supplemental master indentures, each dated as of December 1, 2015, between the Corporation and the Master Trustee;

WHEREAS, the Master Indenture has been amended pursuant to Amended and Restated Supplemental Master Indenture No. 20, dated as of January 1, 2016, between the Corporation and the Master Trustee;

WHEREAS, at the request of the Corporation, the Required Owners (as defined in each of the Indentures) of each series of the Notes have agreed to certain amendments to each of the Indentures and each of the Loan Agreements to conform certain provisions of those documents to amendments made to the Master Indenture;

WHEREAS, the Corporation has requested that the Authority and the Trustee enter into a separate First Amendment to Indenture (each a "First Amendment to Indenture") for each of the Indentures and a separate First Amendment to Loan Agreement (each a "First Amendment to Loan Agreement") for each of the Loan Agreements; and

WHEREAS, there has been made available to the Board of Directors of the Authority a proposed form of First Amendment to Indenture and First Amendment to Loan Agreement;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the California Public Finance Authority, as follows:

Section 1. The proposed form of First Amendment to Indenture, as made available to the Board of Directors, is hereby approved. The Chair of the Authority or any member of the Board of Directors of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 15-01C of the Authority, adopted on July 14, 2015 (each, an “Authorized Signatory”) are hereby authorized and directed, for and on behalf of the Authority, to execute and deliver each First Amendment to Indenture in substantially said form, with such changes and insertions therein as any Authorized Signatory, with advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. The proposed form of First Amendment to Loan Agreement, as made available to the Board of Directors, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver each First Amendment to Loan Agreement in substantially said form, with such changes and insertions therein as any Authorized Signatory, with advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby.

Section 4. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority with respect to the actions which the Authority has approved in this Resolution are hereby ratified, confirmed and approved.

Section 5. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Public Finance Authority this 23rd day of February, 2016.

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on February 23, 2016.

By: _____
Authorized Signatory
California Public Finance Authority



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3. NEW BUSINESS ACTION ITEM

- B. Consideration of Invoice Request 16-01IR for US Bank for services as custodian to CalPFA accounts.



MK-WI-S300
 1555 N. RiverCenter Dr. Ste 300
 Milwaukee, WI 53212

| | |
|----------------------|-----------------------|
| Billing Period: | 10/01/2015-12/31/2015 |
| Invoice Number: | 9713863 |
| Account Number: | 6745041900 |
| Invoice Date: | 01/26/2016 |
| Direct Inquiries To: | JOANN SHAW |
| Phone: | 415-677-3670 |

CALIFORNIA PUBLIC FINANCE AUTHORITY
 ATTN: HUILING REN
 2999 OAK ROAD, SUITE 710
 WALNUT CREEK, CA 94597

CALPFA ANNUAL FEES

The following is a statement of transactions pertaining to your account. For further information, please review the attached.

STATEMENT SUMMARY

| | |
|---|------------|
| Unpaid Balance from Prior Fee Statements | \$706.50 |
| Current Invoice (for detail see attached) | \$1,250.00 |
| Balance Due | \$1,956.50 |

All invoices are due upon receipt.

Please detach at perforation and return bottom portion of the statement with your check, payable to U.S. Bank.

**CALIFORNIA PUBLIC FINANCE AUTHORITY
 ANNUAL FEES**

| | |
|----------------------|-------------------|
| Invoice Number: | 9713863 |
| Account Number: | 6745041900 |
| Current Due: | \$1,250.00 |
| Past Due: | \$706.50 |
| Total Due: | \$1,956.50 |
| Direct Inquiries To: | JOANN SHAW |
| Phone: | 415-677-3670 |

Wire Instructions:
 U.S. Bank
 ABA # 091000022
 Acct # 1-801-5013-5135
 Trust Acct # 6745041900
 Invoice # 9713863
 Attn: Fee Dept St. Paul

Please mail payments to:
 U.S. Bank
 CM-9703
 PO BOX 70870
 St. Paul, MN 55170-9703