

Tulare Local Healthcare District dba Tulare Regional Medical Center

Agenda Item

Board Meeting Date:

October 3, 2018

Title to Appear on Agenda:

Establish Bank Account with Wells Fargo Bank in the name of Tulare Local Healthcare District for Adventist Health Management Services Agreement

Brief Description:

Adventist Health will operate the Hospital on behalf of the TLHCD starting October 15, 2018, and be responsible for the financial operations of the Hospital, including capturing revenues and covering all operating expenses.

Background and Details:

The Management Services Agreement provides that a separate bank account for AH will be established to be administered and controlled by AH.

Given that the Hospital will be operated under the District's license and Federal Tax I.D., it is necessary for the District to authorize and establish the bank account.

Exhibits:

See attachments required by Wells Fargo Bank needed to implement this program.

Recommended Action:

That the Board authorize establishment of the referenced account with Wells Fargo Bank, including approval of the related requisite documents.



Authorization Certificate

Depository Accounts and Treasury Management Services

The undersigned hereby certifies that he or she is the duly appointed authorized representative of Tulare Local Healthcare District

(Account holder's complete legal entity/company name), a _____ (description of Account holder's business entity type) ("Customer"), with authority to act on behalf of Customer, and that the following are true and correct resolutions duly adopted by Customer, in accordance with its formation and governing documents, and that these resolutions have not been in any way altered, amended or rescinded, and are now in full force and effect:

The undersigned further certifies that any one of the following named persons, whose signatures are set forth opposite their names (and titles, if applicable):

Name	Title (if applicable)	Signature or Facsimile Signature ¹
#1 <u>DANIEL R. HECKATHORNE</u>	<u>CFO</u>	X _____
#2 _____	_____	X _____
#3 _____	_____	X _____
#4 _____	_____	X _____
#5 _____	_____	X _____
#6 _____	_____	X _____

is individually authorized to, and to designate one or more other Customer officers, agents or employees (each such aforementioned person, officer or designee thereof is referred to herein as an "Authorized Representative") to: (a) open or close one or more deposit and/or securities accounts (the "Accounts") with Wells Fargo Bank, National Association ("Bank"); (b) execute and deliver in Customer's name such agreement(s) regarding the Accounts and the services related thereto as Bank may from time to time require; (c) authorize and execute transactions on the Accounts, including, without limitation, (i) signing checks and other instruments withdrawing funds from the Accounts, including those payable to cash or to persons who sign them, (ii) requesting funds transfers by Bank to and from the Accounts, (iii) entering into arrangements for the processing of automated clearing house ("ACH") debit entries and/or ACH credit entries to and from the Accounts, and (iv) endorsing on behalf of Customer, and otherwise negotiating, checks and other items payable to Customer; (d) incur overdrafts and other obligations in the Accounts at Bank in connection with any of the products, services, or activities authorized by these resolutions; and (e) invest Customer's funds on such terms and conditions as such Authorized Representative deems appropriate.

Customer is authorized to enter into any other arrangements, agreements and documents with respect to any of Bank's deposit and treasury management products and services, in such form and on such terms and conditions as may be agreed to by an Authorized Representative signing such agreements and documents.

Customer shall be bound to Bank by, and Bank may rely upon, any communication or act, including telephone communications, purporting to be done by any partner, employee or agent of Customer provided that Bank believes, in good faith, that the same is done by a person authorized to so act.

The authority hereby conferred is in addition to that conferred by any other certificate heretofore or hereafter delivered to Bank and shall continue in full force and effect until Bank shall have received notice in writing from Customer of the revocation hereof. Any such revocation shall be effective only as to actions which are taken by Customer pursuant to the certifications contained herein, subsequent to Bank's receipt of such notice. The authority hereby conferred shall be deemed retroactive, and any and all acts authorized herein which were performed prior to the execution of this certificate are hereby approved and ratified.

The undersigned further certify that the activities covered by the foregoing certifications constitute duly authorized activities of Customer; that said certifications are now in full force and effect; and that there is no provision in any document pursuant to which Customer is organized and/or which governs Customer's continued existence limiting the power of the undersigned to make the certifications set forth herein, and that the

¹ **Facsimile Signature/Logo.** Customer authorizes the use of facsimile signatures/logos in connection with its agreements with and instructions to Bank if the facsimile/logo is provided on this form. Customer agrees its use of the facsimile/logo will be governed by Bank's Commercial Account Agreement.

same are in conformity with the provisions of all such documents.

ACKNOWLEDGED & AGREED TO:

By/Signature: _____

Printed Name: DANIEL R. HECKATHORNE

(this individual must be a duly appointed representative of the TIN of record)

Title (if applicable): INTERIM CFO

Date: _____

Tax Identification Number of Customer: 94-6002897

(TIN of the Account holder as assigned by the IRS)

Commercial Account Signature Card

I. Account Title(s)

Account #1	_____	CoID (Internal Use Only)	_____
Title Line 1	Tulare Local Healthcare District		
<small>(Customer's full legal name matching Customer's formation documents and TIN certification documentation- 40 characters max.)</small>			
<small>Optional Account Title Lines (40 characters max per line.)</small>			
Title Line 2	TLHD AND AH TULARE MSA ACCOUNT		
Title Line 3	_____		
Title Line 4	_____		
<small>(If applicable, enter DBA name on last available title line)</small>			

II. Regulation GG Certification

Customer or any entity for which account(s) will be maintained (f/b/o) engaged in business of internet gambling? Yes No

III. Authorized Account Signers

#1	Signature	DANIEL R HECKATHORNE	Printed Name	INTERIM CFO	Position/Title
<small>Signer role-Please Select one. If no selection default will be limited signer. Refer to section IV for authority definitions.</small>					
<input checked="" type="checkbox"/> Limited Signer <input type="checkbox"/> Principal Officer/Key Executive <input type="checkbox"/> Owner					
#2	Signature	ANDREA KOFL	Printed Name	PRESIDENT	Position/Title
<small>Signer role-Please Select one. If no selection default will be limited signer. Refer to section IV for authority definitions.</small>					
<input checked="" type="checkbox"/> Limited Signer <input type="checkbox"/> Principal Officer/Key Executive <input type="checkbox"/> Owner					
#3	Signature	TIMOTHY HAYDOCK	Printed Name	FINANCIAL OFFICER	Position/Title
<small>Signer role-Please Select one. If no selection default will be limited signer. Refer to section IV for authority definitions.</small>					
<input checked="" type="checkbox"/> Limited Signer <input type="checkbox"/> Principal Officer/Key Executive <input type="checkbox"/> Owner					
#4	Signature	_____	Printed Name	_____	Position/Title
<small>Signer role-Please Select one. If no selection default will be limited signer. Refer to section IV for authority definitions.</small>					
<input type="checkbox"/> Limited Signer <input type="checkbox"/> Principal Officer/Key Executive <input type="checkbox"/> Owner					

IV. Customer Acknowledgement & Agreement

On behalf of the customer, I hereby certify, by my signature below, that each of the individuals designated in Section III above as

- (a) a "Limited Signer" is authorized, acting alone, to (i) sign checks drawn on the account(s) and (ii) instruct Wells Fargo with respect to stop payment order(s).
- (b) a "Principal Officer/ Key Executive" is authorized, acting alone, to (i) sign checks drawn on and make cash withdrawals from the accounts(s), (ii) instruct Wells Fargo with respect to stop payment order(s) and (iii) initiate funds transfers by ACH, wire or other means from the account(s) in accordance with the customer's contractual arrangements with Wells Fargo regarding these services.
- (c) an "Owner" is authorized, acting alone, to (i) sign checks drawn on and make cash withdrawals from the accounts(s), (ii) instruct Wells Fargo with respect to stop payment order(s) and (iii) initiate funds transfers by ACH, wire or other means, including to personal and business account(s) in accordance with the customer's contractual arrangements with Wells Fargo regarding these services.

Wells Fargo may obtain credit reports or other information about the customer. Wells Fargo may disclose information about each account to its affiliates, to credit reporting agencies, and to other persons or agencies that, in Wells Fargo's judgement, have a legitimate purpose for obtaining the information.

I acknowledge that the customer has received the Wells Fargo Commercial Account Agreement and agrees its terms and conditions, as amended from time to time will govern the account(s).

DANIEL R HECKATHRONE

Printed Name

INTERIM CFO

Position/Title

Authorized Signature

Date

V. Taxpayer Certification

Please provide a copy of the most current version of IRS form W-9 or W-8. Tax forms are subject to review and withholding could apply if forms are incomplete or inaccurate.

W-9 provided for U.S. Entity

Taxpayer Identification Number (TIN)

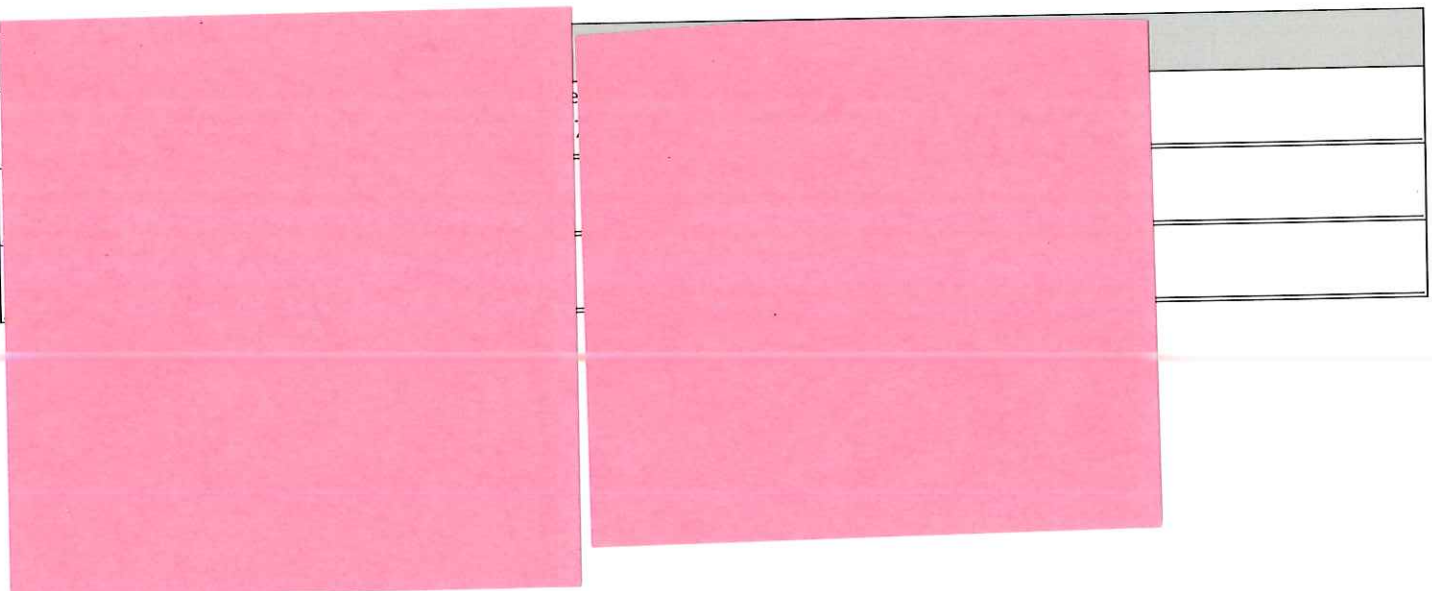
Enter your TIN on the appropriate line below. The TIN provided must belong to the Customer whose full legal name is provided in Section I, Title Line 1 and match the W-9 provided. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Form W-9 Part I instructions at www.irs.gov for additional information. For other entities, it is your employer identification number (EIN). The number provided below applies to all accounts listed on this signature card.

94-6002897

Social Security Number (SSN)

Employer Identification Number

W-8 provided for non-U.S. Entity



Government Customer Certification

The undersigned certifies that he or she is the authorized representative of the Customer named below with the authority to act on behalf of the Customer and certifies that the information provided below is complete, correct, and in accordance with the Customer's governing documents now in full force and effect.

Customer Information

Full Legal Name with no abbreviations (Must match the governing/organizational document(s) and TIN certification documentation) Tulare Local Healthcare District		
Registered Physical Business Address 869 North Cherry Street, Tulare, CA 93274-2207		
Tax Identification Number 94-6002897	TIN is shared with another entity? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	State of Registration California

Organizational Type (As indicated on the governing/organizational documentation - *Must Select One*)

<input type="checkbox"/> Government Entity	<input checked="" type="checkbox"/> Political Subdivision	<input type="checkbox"/> Government Agency
<input type="checkbox"/> Government Instrumentality (If selected, copy of Organizational documents required)		<input type="checkbox"/> Government Agency (For Public Colleges/Universities, copy of Organizational documents required)

Key Principal(s) Information

The **Key Principals** and document **Signer** (below) must represent individuals who serve in the following capacity for the Customer:

- Individuals with day to day or strategic control/management of the customer; and
- Individuals responsible for the supervision and quality of accounting and financial reporting of the customer. (e.g. *Head of the Executive Branch, Director, City Manager/County Manager, or their equivalent(s), Controller/Treasurer, Finance Director, or their equivalent(s)*).

Legal Name	Title/Position	Personal Address	Date of Birth
(AH Representative)	(AH)		
Daniel R. Heckathorne	Interim CFO		

Acknowledged & Agreed To

By/Signer

Interim CFO

Title

Daniel R. Heckathorne

Printed Name

Date

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
 See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
Tulare Local Healthcare District

2 Business name/disregarded entity name, if different from above
Tulare Regional Medical Center

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

Individual/sole proprietor or single-member LLC
 C Corporation
 S Corporation
 Partnership
 Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

Other (see instructions) ▶ **California Local Healthcare District**

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
 Exempt payee code (if any) _____
 Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
869 North Cherry Street

6 City, state, and ZIP code
Tulare, CA 93274-2207

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

				-			-				
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or

Employer identification number

9	4	-	6	0	0	2	8	9	7
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Part II Certification

- Under penalties of perjury, I certify that:
- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
 - I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
 - I am a U.S. citizen or other U.S. person (defined below); and
 - The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)
 - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
- If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*

Government & Institutional Banking
Public Funds Collateral Unit
333 Market Street 15th Floor
MAC: A0109-150
San Francisco, CA 94105
PublicFundsCollateral@wellsfargo.com



September 20, 2018

Tulare Local Healthcare District

Dear Wells Fargo Customer,

On a daily basis, our Public Funds Collateral Unit will monitor your collected balances in deposit accounts maintained with our commercial and business banking offices, as well as cash and deposit balances held in certain trust agency and asset management custody accounts. The California Government Code specifies that all local agency deposits in excess of the deposits covered by FDIC insurance must be collateralized by the depository bank. We will pledge collateral as necessary to the California Local Agency Pool. Uncollected funds are excluded from this requirement. Currently FDIC insures the deposits of governmental accounts on a per Official Custodian basis as follows: the aggregate balances in demand deposits accounts are insured up to **\$250,000** per Official Custodian and the aggregate balances in time and savings accounts are insured up to **\$250,000** per Official Custodian. The Government Code also requires that the Bank report total deposits with the related collateral for each pool to the Administrator of Local Agency Security weekly as of every Wednesday. At quarter-end, the Bank reports the aggregate balance for each individual local agency and the related pool directly, as well. Please feel free to contact the Administrator's office to verify your holdings with Wells Fargo Bank.

Enclosed are **three (3) copies** of the Contract for Deposit of Moneys (collateral agreement) covering deposits held at Wells Fargo Bank, N.A. for **Tulare Local Healthcare District** with Bank of New York Mellon, acting as Agent of Depository. **Please sign three (3) copies of the Contract for Deposit of Moneys and return all originals to Public Funds Collateral Unit.** One of the original executed agreements will be forwarded to the Local Agency Administrator. In accordance with the applicable federal law (12 U.S.C. 1823), this collateral agreement must be approved by the bank's board of directors or loan committee; the approval must be reflected in the applicable meeting minutes; and the agreement must be an official record of the bank, continuously from the time of its execution. The fully executed agreement will be submitted to the Wells Fargo Bank N.A.'s Board of Directors/Loan Committee for approval. A fully signed and executed original of the agreement and corporate resolution will be mailed to you upon completion.

- **All shaded areas on document MUST be completed for processing**
- **Faxed copies are NOT accepted as Original Agreements**

Upon receipt of the above signed documents, we will pledge collateral to protect your deposit balances above FDIC coverage.

We hope this information regarding the documents required for collateralization is clear. If you have additional questions, please contact me at 877-479-6603. We look forward to serving you!

Sincerely,

Sheila Lynch, PFA Manager

Together we'll go far



Contract for Deposit of Moneys

THIS CONTRACT, relating to the deposit of moneys, is made as of the _____ day of _____, 20____, between _____ ("Treasurer") acting in his or her official capacity as Treasurer of **Tulare Local Healthcare District** ("Depositor"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("Bank"), having a shareholder's equity of \$166,160,000,000.00 on December 31, 2017, and is made with reference to the following facts:

WHEREAS, the Treasurer proposes to deposit in the Bank from time to time, moneys in his or her custody in an aggregate amount on deposit at any one time not to exceed the total shareholder's equity of the Bank, and said moneys will be deposited subject to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the **State of California** (the "Local Agency Deposit Security Law").

WHEREAS, the Government Code requires the Treasurer to enter into a contract with the Bank setting forth the conditions upon which said moneys are deposited.

WHEREAS, in the judgment of the Treasurer, this Contract is to the public advantage.

NOW, THEREFORE, the parties agree as follows:

1. This Contract cancels and supersedes any previous contracts between the Treasurer and the Bank relating to the method of collateralization of Depositor's deposits. To the extent not inconsistent herewith, any such deposit shall be subject to the terms and conditions of the Bank's standard disclosure statement (as in effect from time to time) for deposits of that type.
2. This contract, but not deposits then held hereunder, is subject to termination by the Treasurer or the Bank at any time upon 30 days' written notice. Deposits may be withdrawn in accordance with the agreement of the parties and applicable federal and state statutes, rules and regulations. This contract is subject to modification or termination upon enactment of any statute, rule, or regulation, state or federal, which, in the opinion of the Administrator of Local Agency Security of the **State of California** (the "Administrator"), is inconsistent herewith, including any change relative to the payment of interest upon moneys so deposited by the Treasurer. The Treasurer may withdraw Depositor's deposits from the Bank immediately upon receiving notice from the Administrator that the Bank has failed to pay assessments, fines or penalties assessed by the Administrator. The Treasurer may immediately upon receiving notice from the Administrator withdraw authorization for the placement of securities with the Agent of the Bank in the event that the Agent of the Bank fails to pay fines or penalties assessed by the Administrator.
3. Interest shall accrue on any moneys so deposited as permitted by any act of Congress of the United States or by any rule or regulation of any department or agency of the Federal Government. If interest may legally be paid on the account into which the moneys are deposited, then all moneys deposited shall bear interest at a rate agreed upon by the Treasurer and the Bank.
4. The Bank shall issue to the Treasurer for each deposit a receipt on a form agreed to by the Bank and the Treasurer, stating the interest to be paid (if any), the duration of the deposit (if appropriate), the frequency of interest payments (if any) and the terms of withdrawal. Each such deposit receipt is by reference made a part of this contract.
5. The Bank will maintain at all times with the Agent of the Bank as security for Depositor's deposits:
 - (a) eligible securities of the classes described in Government Code Section 53651 (except subdivisions (m) and (p)) having a market value at least 10% in excess of the total amount of deposits secured by those securities,
 - (b) eligible securities of the class described in subdivision (m) of Government Code Section 53651 having a market value at least 50% in excess of the total amount of deposits secured by those securities and (c) eligible securities of the class described in subdivision (p) of Government Code Section 53651 having a market value at least 5% in excess of the total amount of deposits secured by those securities. If the Administrator determines

that a security is not qualified to secure public deposits, the Bank will substitute other securities to comply with the requirements of this Paragraph.

6. The Treasurer hereby waives security for that portion of the total amount on deposit which is insured pursuant to Federal law.

7. The Agent of the Bank, which the Treasurer and the Bank hereby authorize to hold the eligible securities posted as collateral under this contract, is **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** The Agent of the Bank has filed with the Administrator an agreement to comply in all respects with all provisions of the Local Agency Deposit Security Law.

8. Authority for placement of securities for safekeeping in accordance with Government Code Section 53659 is hereby granted to the Agent of the Bank, including placement with any one or more Federal Reserve Banks or branches thereof.

9. If the Bank fails to pay all or part of any moneys of the Depositor on deposit with the Bank which are subject to this contract when ordered to do so in accordance with the terms of withdrawal set forth on the applicable deposit receipt, the Treasurer will immediately notify the Administrator in writing. Action of the Administrator in converting the collateral required by Paragraph 5 above for the benefit of the Depositor is governed by Government Code Section 53665.

10. The Bank may add, substitute or withdraw eligible securities being used as security for deposits made hereunder in accordance with Government Code Section 53654, provided the requirements of Paragraph 5 above are met.

11. The Bank shall have and hereby reserves the right to collect and retain for the Bank's own account the interest or income on the securities, except in cases where the securities are liable to sale or are sold or converted in accordance with the provisions of Government Code Section 53665.

12. The Bank will pay all expenses incurred in transporting eligible securities maintained as collateral for moneys on deposit to and from the Agent of the Bank. The Depositor will pay (or promptly reimburse the Bank for or otherwise compensate the Bank for) all expenses incurred in transporting all moneys deposited with the Bank to and from the Depositor's offices. The Depositor will pay the Bank (or otherwise compensate the Bank for) the fees and charges stated in the Bank's then current Schedule of Charges (unless the Bank and the Treasurer otherwise agree) for handling, collecting and paying all checks, drafts and other exchange or securities according to the Bank's standard practices.

13. This contract, the parties hereto, and all deposits governed by this contract shall comply with and be subject in all respects to the Local Agency Deposit Security Law, and all other state and federal laws, statutes, rules and regulations applicable to such deposits, whether now in force or hereafter enacted to promulgated, all of which are by this reference made a part hereof.

IN WITNESS WHEREOF, the Treasurer in his or her official capacity on behalf of the Depositor, and the Bank by its duly authorized officer, have signed this contract in triplicate as of the day and year first above-mentioned.

TREASURER
of:
Tulare Local Healthcare District
Name of Local Agency Depositor
By: _____
Title: _____
Address: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION
By: _____
Title: Vice President
Address: 333 Market Street, 15th Floor
MAC: A0109-150
San Francisco, CA 94105