

RESOLUTION NO. 26:06

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN HUMBOLDT
COMMUNITY HEALTHCARE DISTRICT ORDERING AN ELECTION TO
AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS,
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER, REQUESTING
CONSOLIDATION WITH ANY OTHER ELECTIONS OCCURRING ON NOVEMBER
3, 2026 AND CERTAIN RELATED MATTERS**

WHEREAS, in the judgment of the Board of Directors (the “Board”) of the Southern Humboldt Community Healthcare District (the “District”), it is advisable to call an election to submit to the electors of the District the question whether general obligation bonds of the District shall be issued and sold for the purpose of raising money for the expansion, improvement, acquisition, construction, equipping and renovation of health care capital facilities of the District; and

WHEREAS, Article XIII A, Section 1(b), of the California Constitution (“Article XIII A”) provides an exception to the limit on *ad valorem* property taxes for bonded indebtedness for the acquisition or improvement of real property approved by two-thirds (2/3) of the votes cast by the voters voting on the proposition; and

WHEREAS, the Board is specifically authorized to pursue the authorization and issuance of bonds by a two-thirds (2/3) vote of the electorate on the question of whether bonds of the District shall be issued and sold for specified purposes, pursuant to Section 32300 *et seq.* of the California Health and Safety Code (the “Law”); and

WHEREAS, the District is primarily located in Humboldt County and partially in Mendocino County (together, the “Counties”); and

WHEREAS, pursuant to Section 10403 *et seq.* of the California Elections Code, it is appropriate for the Board to request the Registrar of Voters of both of the Counties to perform required election services for the District and to request consolidation of the election with any and all other elections to be held on Tuesday, November 3, 2026; and

WHEREAS, certain provisions of the California Government Code (Sections 53410 *et seq.*) require that a local agency submitting a bond measure to the voters provide specific accountability measures; and

WHEREAS, it is the intent of the Board to set forth by this Resolution the specifications of the election order and specified accountability measures with respect to the proceeds of the bonds to be authorized by the election called pursuant to this Resolution.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF SOUTHERN HUMBOLDT COMMUNITY HEALTHCARE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Call for Election. The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds (the "Bonds") of the District shall be authorized to be issued and sold in a principal amount not to exceed \$25,000,000 for the purpose of financing and refinancing the expansion, improvement, acquisition, construction, equipping and renovation of health care capital facilities of the District, and to pay costs incident thereto (the "Project"), as set forth more fully in the ballot proposition approved pursuant to Section 3 of this Resolution. This Resolution constitutes the order of the District to call such election.

Section 2. Election Date; Request for Consolidation. The Board hereby calls for this measure to be placed on the ballot for the November 3, 2026 gubernatorial election, to be held pursuant to the California Elections Code and as otherwise allowed by the laws of the State of California and procedures applicable to the District. The Secretary or Clerk of the Board or the Chief Executive Officer of the District shall file (or cause to be filed) a certified copy of this Resolution no later than August 7, 2026, with the Clerk of the Board of both of the Counties and with the Registrar of Voters of both of the Counties. Pursuant to California Elections Code Section 10400 *et seq.*, the Board of Supervisors of each of the Counties is hereby requested to order consolidation of this bond election with such other elections called for November 3, 2026 in the same territory. The Board of Supervisors of each of the Counties is hereby authorized and requested to canvass the returns of the election pursuant to Section 10411 of the Elections Code. The Board of Supervisors of each of the Counties is requested to permit the Registrar of Voters of the Counties and other appropriate officials of the Counties to render all services necessary in connection with the bond election including, but not limited to, the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code), the opportunity to submit ballot arguments in connection with the bond election, publication of any necessary notices, the canvassing and certification of the returns of the election, and other ballot requirements pursuant to the California Elections Code.

Section 3. Purpose of Election; Ballot Measure. The purpose of the election shall be for the voters in the District to vote on a ballot measure, a copy of the full ballot text is attached hereto as *Exhibit A*, containing the question of whether the District shall issue the bonds for the purposes stated therein, together with the accountability requirements, which is hereby approved and adopted by the Board. The Board hereby determines to include within the ballot pamphlet the full ballot text. As required by California Elections Code Section 13247, the ballot question/abbreviated form of the measure to appear on the ballot is attached hereto as *Exhibit B* and is hereby approved and the Board hereby directs the Registrar of Voters of each of the Counties to use such abbreviated form on the official ballot. The Registrar of Voters of each of the Counties is hereby requested to reprint the measure in its entirety (the full ballot text located in *Exhibit A*) in the voter information pamphlet to be distributed to voters, together with the tax rate information (attached hereto as *Exhibit C*) as required by the Law.

The Chief Executive Officer, the Chief Operations Officer, and the Chief Financial Officer of the District, and each of them alone, or their respective designee(s), are hereby authorized and directed to make any changes to the text of the ballot measure as required to conform to any requirements of Article XIII A, the Law, the California Elections Code, or the Registrar of Voters of each of the Counties.

Section 4. Authority for Election. The authority for ordering the election and for the specification of this election order are contained in Section 32301 of the Law and Article XIII A, Section 1(b)(2), of the California Constitution. The District hereby finds that the bonded indebtedness proposed herein is within legal limits, as shown by the last equalized assessment role of each of the Counties in accordance with Section 32308 of the Law. Pursuant to Section 18 of Article XVI and Section 1 of Article XIII A of the California Constitution, the measure shall become effective upon the affirmative vote of at least two-thirds (2/3) of those voters voting on the measure.

Section 5. Terms of the Bonds upon Approval by the Electorate. As required by Section 32302 of the Law, in the event two-thirds (2/3) of the voters voting in the District approve the issuance of the bonds, the Board shall cause the Bonds to be issued in one or more series in an aggregate principal amount not to exceed \$25,000,000; provided that such aggregate maximum amount shall be equal to the par amount of the bonds, which shall not include any premium at which the bonds or any series thereof may be issued. The Bonds shall bear interest payable at a rate not exceeding the legal limit, and any series of which shall have a maturity date no later than thirty (30) years following the date of issuance of such series. The Board shall apply the bond proceeds only to the specific purposes stated in the ballot measure, shall cause the continuation or creation of funds and accounts into which bond proceeds shall be deposited, and shall cause the preparation of an annual report pursuant to Sections 53410-53411 of the California Government Code.

Section 6. Accountability Provisions.

(a) *No Money For Administrators' Salaries.* Proceeds from the sale of the bonds authorized by this measure shall be used only for the purposes set forth in the measure and the cost of the issuance of the bonds, and not for any other purpose, including staff and administrator salaries and other operating expenses.

(b) *Special Bond Proceeds Account; Annual Audit And Report to Board.* The Board hereby directs that a separate account shall be established for deposit of proceeds of the sale of the bonds if the measure is approved by District voters. For so long as any proceeds of bonds remain unexpended, the Chief Financial Officer of the District shall cause a report to be filed with the Board no later than five (5) months after the end of each fiscal year, commencing with the first fiscal year during which any proceeds of bonds authorized by this measure shall have been received. The report shall state (1) the amount of bond proceeds received and expended in such fiscal year, and (2) the status of any projects funded or to be funded from the proceeds of bonds authorized to be issued by this measure. The report may be incorporated into or filed with the audit or other appropriate routine report provided to the Board. Audited financial statements of the District will continue to be made available in accordance with applicable requirements.

Section 7. Request for Election; Costs. The District hereby requests that the Registrar of Voters of each of the Counties takes all steps necessary to hold the election pursuant to the California Election Code and the District agrees to reimburse the Registrar of Voters of each of the Counties for all actual costs incurred by it for the District election, as set forth in the current election allocation procedures of the Counties.

Section 8. Delivery of this Resolution. The Board Secretary, Board Clerk and Chief Executive Officer of the District are hereby directed and authorized to deliver a certificated copy of this Resolution to the Registrar of Voters of each of the Counties no later than the close of business on August 7, 2026.

Section 9. Impartial Analysis; Ballot Arguments; Further Authorization. The Humboldt County Counsel is hereby requested to prepare the impartial analysis of the ballot measure in accordance with Section 9313 of the California Elections Code and transmit it to the Registrar of Voters and election officer of each of the Counties, as applicable. Any and all members of the Board, any resident of the District, or association of citizens, are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. Each of the President and Vice President of the Board, and the Chief Executive Officer, Chief Operations Officer and the Chief Financial Officer of the District, or any of their respective designees, are each hereby authorized, empowered, and directed, for and on behalf of the District, to execute any and all documents, and to perform any and all acts necessary or appropriate to place the measure on the ballot or otherwise effectuate the purposes of this Resolution.

Section 10. Effective Date. This resolution shall take effect immediately on and after its adoption.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Southern Humboldt Community Healthcare District this 30th day of July, 2026, by the following vote:

AYES: All

NAYS: None

ABSENT: None

ABSTAIN: None

APPROVED:


Kevin Church
President, Board of Directors

ATTEST:


Darrin Guerra

CERTIFICATION

I, Corinne Stromstad, Secretary to the Board of Directors of Southern Humboldt Community Healthcare District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 26:06 passed and adopted by said Board of Directors at a meeting held on the 30th day of July, 2026, and that the minutes of said Board of Directors show that 9 members of said Board voted for, and 0 members of said Board voted against the adoption of said Resolution, and the said Resolution is now spread upon the minutes of said Board.



Secretary to the Board

EXHIBIT A
FULL TEXT OF BALLOT MEASURE

INTRODUCTION

Southern Humboldt Community Healthcare District (the “District”) is a major provider of health care services to communities in Southern Humboldt County and Mendocino County. The District operates Jerold Phelps Community Hospital, Southern Humboldt Community Clinic, Southern Humboldt Family Resource Center, Garberville Pharmacy and optometry services, and provides services including emergency care, inpatient care, skilled nursing, laboratory, radiology, physical therapy, primary care, and home health.

Over the next decade, the District faces a number of financial challenges to continue to provide community health care services. These include:

- A 77 year-old hospital facility which does not comply with upcoming State of California seismic and other building safety requirements (California Senate Bill 1953) which require that the facility be designed to structurally withstand earthquakes and remain open even when cut off from electricity and water.
- Difficulty in recruiting primary care and specialty care physicians due to age and current equipment of hospital facilities.
- Continuing and increasing costs needed to maintain hospital facility infrastructure.

The District needs to replace the existing hospital facilities with new hospital facilities. The proposed facility will provide a larger, state of the art emergency room, equipment for improved service levels and a helicopter stop for emergency life-flight transfers. A local general obligation bond was identified as a necessary component in meeting the capital financing needs of the District. The issuance of general obligation bonds will also provide the District with matching funds needed to obtain additional funding sources for the construction of new hospital facilities.

BOND AUTHORIZATION

By approval of this measure (the “Measure”) by at least two-thirds of the qualified voters voting, the District shall be authorized to issue and sell bonds in the aggregate principal amount of \$25,000,000 to provide financing or refinancing for hospital and health care facility projects consisting of improvement, acquisition, construction, and renovation of facilities for hospital and health care purposes at the District’s hospital and sites, subject to all of the accountability safeguards specified in this Measure.

The Board plans and expects to use proceeds of the bonds authorized by this Measure to finance or refinance the improvement, acquisition, construction, and renovation of the District’s hospital, facilities, and sites, which are expected to include the following project elements:

New Construction; Additions, Repairs and Upgrades to the District's Hospital, Facilities, and Sites

- Construct a new hospital facility
- Repair, replace, construct, acquire, and upgrade new and additional emergency room facilities and operating rooms
- Repair, replace, construct, acquire, and upgrade District facilities, sites, and infrastructure
- Repair, replace, construct, acquire, and upgrade plumbing, electrical systems, elevators, ventilation, heating, cooling, medical gas systems, medical equipment, technology systems, lighting, emergency power and communications, safety and security systems, parking, vehicular and pedestrian access, restrooms, and major building systems
- Make and construct health and safety improvements, including Federal and State-mandated Americans with Disabilities Act (ADA) accessibility upgrades and acquisitions
- Construct life flight/heliport facilities to accommodate expedited life flight air transportation

Earthquake Safety Upgrades

- Upgrade District hospitals, facilities, and sites to meet upcoming State seismic requirements, including those outlined in California Senate Bill 1953 which require structural integrity and improved infrastructure that will allow the hospital stay open even when cut off from offsite utilities.

Each of the foregoing bond projects may include all incidental projects, including abatement and removal of hazardous materials, addressing unforeseen conditions revealed by construction and/or reconstruction, other improvements required to comply with existing building codes, and all work necessary and incidental to specific projects described above, including any demolition. Further, each of the bond projects includes the costs of furnishing and equipping such facilities, and all costs which are incidental but directly related to the types of projects described above. Examples of incidental costs include, but are not limited to, costs of design, engineering, architect and other professional services, facilities assessments, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, bond issuance, accounting and similar costs, demolition and disposal of existing structures, and federal and state-mandated safety measures and upgrades. Bond projects do not include money for administrator salaries or benefits or general operating expenses – see below.

The Board has reserved the right to finance authorized projects with the bonds as it deems advisable and necessary. The inclusion or specification of a project in the foregoing list is not a guarantee that such project will be constructed or completed, or that it will be constructed or completed as described above at any particular time or in any particular order of priority. Projects and upgrades will be completed as needed at a particular site according to Board-established priorities. This Measure authorized the financing of projects, and shall not be deemed to be an approval of any “project” for purposes of the California Environmental Quality Act.

All of the purposes enumerated in this Measure shall constitute the specific purposes of the bonds, and proceeds of the bonds shall be spent only for such purposes, pursuant to California Government Code Section 53410.

ACCOUNTABILITY MEASURES

No Money for Administrators' Salaries or Benefits - Proceeds from the sale of the bonds authorized by this Measure shall be used only for costs incurred in connection with expansion, improvement, acquisition, and construction of medical facilities, and the costs of the issuance of the bonds, and not for any other purpose, including staff and administrator salaries and other operating expenses.

Special Bond Proceeds Account, Annual Audit, and Report to Board – The Board hereby directs that a separate account shall be established for deposit of proceeds of the sale of bonds authorized by this Measure if the Measure is approved by the District Voters.

For so long as any proceeds of the bonds authorized by this Measure remain unexpended, the Chief Financial Officer of the District shall cause a report to be filed with the Board no later than five (5) months after the end of each fiscal year, commencing with the first fiscal year during which any proceeds of bonds authorized by this Measure shall have been received. The report shall state (1) the amount of bond proceeds received and expended in such fiscal year, and (2) the status of any projects funded or to be funded from the proceeds of bonds authorized to be issued by this Measure. The report may be incorporated into or filed with the audit or other appropriate routine report provided to the Board. Audited financial statements of the District will continue to be made available in accordance with applicable requirements.

OTHER TERMS OF BONDS

The bonds authorized by this Measure, in an aggregate principal amount of \$25,000,000 shall be issued upon the order of the Board in one or more series and at one or more times as may be necessary and most advantageous to raise money for the purposes set forth herein.

The bonds shall bear interest payable at a rate not exceeding the legal limit.

The bonds, or any series thereof, shall have a maturity date no later than thirty (30) years following the date of issuance of such series (pursuant to the provisions of California Health and Safety Code Section 32303 or any law applicable at the time of issuance of such series).

The taxes levied pursuant to this Measure shall be collected in the same manner as *ad valorem* property taxes and applied towards the payment of principal of and interest on said bonds in accordance with California Health and Safety Code Section 32312.

EXHIBIT B

BALLOT QUESTION/ABBREVIATED FORM OF BALLOT MEASURE

“To replace 77 year-old Jerold Phelps Community Hospital with a modern hospital to provide life-saving emergency care for victims of accidents, heart attacks, strokes, and other emergencies, improve Emergency Room facilities, operating rooms, provide advanced medical equipment/technology and life flight services; and qualify for matching funds shall Southern Humboldt Healthcare District’s measure authorizing \$25,000,000 in bonds be adopted, levying 8 cents per \$100 assessed value (raising \$2,000,000 annually) while bonds are outstanding, with independent citizen oversight and all funds staying local?”

BONDS – YES

BONDS – NO

EXHIBIT C
TAX RATE STATEMENT

An election will be held in the Southern Humboldt Community Healthcare District (the "District") on November 3, 2026 to authorize the sale of up to \$25 million in general obligation bonds to finance the hospital projects as described in the bond measure. If such bonds are authorized, the District expects to sell the bonds in one or more series. The following information is submitted in compliance with Sections 9400-9404 of the Elections Code of the State of California. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District, and other demonstrable factors.

Based upon the foregoing and projections of the District's assessed valuation available at the time of this statement, the following information is provided:

1. The best estimate of the average annual tax rate that would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on estimated assessed valuations available at the time of filing of this statement, is 8¢ per \$100 (\$80 per \$100,000) of assessed valuation. It is currently expected that the final fiscal year in which the tax will be collected is fiscal year 2052-53.

2. The best estimate of the highest tax rate that would be required to be levied to fund this 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 this statement, or a projection based on experience within the same jurisdiction or other demonstrable factors, is 8¢ per \$100 (\$80 per \$100,000) of assessed valuation of all property to be taxed for fiscal years 2027-28 through and including 2052-53; this tax rate is projected to apply in each fiscal year that the bonds are outstanding.

3. The best estimate of total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold will be approximately \$50.4 million.

The attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and durations and are not binding upon the District. These estimates are based on projections derived from information obtained from official sources, and are based on the assessed value (not market value) of taxable property on the Counties' official tax rolls. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions. The actual debt service, tax rates and the years in which they will apply may vary depending on the timing of bond sales, the par amount of bonds sold at each sale, and actual increases in assessed valuations. The timing of the bond sales and the amount of bonds sold at any given time will be determined by the District based on the need for project funds and other considerations. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined by each County Assessor in the annual assessment and the equalization process.

Chief Executive Officer of the Southern Humboldt Community Healthcare District