

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON
VERDANT HEALTH COMMISSION

BOARD OF COMMISSIONERS

Regular Meeting
VHC Board Room
April 24, 2013

| | |
|---|---|
| Commissioners Present | Bob Knowles, President Fred Langer, Secretary (via conference phone) J. Bruce Williams, M.D., Commissioner Karianna Wilson, Commissioner Deana Knutsen, Commissioner |
| Others Present | Carl Zapora, Superintendent George Kosovich, Program Director Lisa King, Finance Director Jennifer Piplic, Marketing Director Karen Goto, Executive Assistant Howard Thomas, Consultant Josh Lewis, Moss Adams Tina Hjorten, State Auditor Jim Steinruck, Senior Services of Snohomish County Members of the community |
| Call to Order | The Regular Meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 8:04 a.m. by President Knowles. |
| Approval of Minutes | <i>Motion was made, seconded and passed unanimously to approve</i> the minutes of the regular meeting on March 27, 2013. |
| Executive Committee | President Knowles reported that the Executive Committee met on April 19, 2013 to review the April 24, 2013 board meeting agenda. The Moss Adams report will be moved up in the agenda today. |
| Moss Adams Report of Independent Auditors | Josh Lewis presented the findings from Moss Adams' independent audit (E:22:13). The audit report was an unmodified opinion and there were no audit adjustments. |
| Board Finance Committee | The committee met on April 22, 2013 to review the financial statements. |

Ms. King reported on the financials for March 2013 (E:20:13).

Authorization for
Payment of
Vouchers &
Payroll

Warrant Numbers 10226 through 10252 for March 2013 for payment in the amount of \$85,427.40 were presented for approval (E:21:13). *Motion was made, seconded and passed unanimously to approve.*

Resolution
2013:05 Lease of
Surplus Real
Property

Motion was made, seconded and passed unanimously to approve Resolution 2013:05.

Program
Oversight
Committee
Update

Commissioner Knutsen reported that the Program Oversight Committee met on April 12, 2013 and reviewed two new program funding applications (E:22:13). Neither was recommended for funding by the Program Oversight Committee at this time. Mr. Kosovich will continue to be in conversation with the City of Mountlake Terrace and the Center for Advanced Recovery Solutions on their proposals. No conflicts of interest were reported by any of the commissioners. Dr. Williams mentioned that he is the chair of the Swedish/Edmonds hospital physicians group and they are currently working on reducing hospital re-admissions. Equipment and resources provided by Verdant in ambulances and the ER have been beneficial, he reported.

Update from
Senior Services
on Center for
Healthy Living

Jim Steinruck provided an update to the board on the location of the Center for Healthy Living (E:25:13). Mr. Kosovich reported that attorney Brad Berg is currently reviewing the contract and the terms of agreement will be brought to the Program Committee and then the board at a later date.

Marketing
Report

Ms. Piplic reported on two items (E:24:13):

1. 6 Weeks to a Healthier You update
195 registrants to date with approximately 63% living and/or working within the district.
2. Verdant website update
Site will be delivered in late May 2013.
Commissioners will be invited to test the site and provide input. Estimated launch date is late June 2013.

Commissioner

Commissioner Knutsen encouraged the board to talk with

| | |
|-------------------------|---|
| Comments | <p>Mr. Kosovich and the Program Committee if they have any ideas for possible program funding.</p> <p>President Knowles acknowledged that there are current proposals that could be maximized as well.</p> |
| Superintendent's Report | <ol style="list-style-type: none">1. State audit was positive and their findings will be presented in a full report to the board at the May 2013 regular board meeting.2. Moss Adams had a clean audit with no exceptions. Superintendent Zapora recognized Ms. King and Ms. Erica Ash for their work.3. The City of Monroe's hospital levy is passing so far.4. Edmonds Chamber of Commerce luncheon is on Thursday, April 25, 2013 with Joe Piscatella speaking and Lynne Vea of PCC preparing the food.5. Superintendent Zapora recognized Ms. Goto for Administrative Professional's Day. |
| Public Comments: | <p>Mr. Al Rutledge reported that the upcoming Edmonds Car Show on July 13, 2013 will have a health component. This show raises funds for the food bank and for services for the aging.</p> <p>Ms. Rowena Miller thanked the board for using caution in funding a for-profit organization, and for speaking louder in the board meetings. She also acknowledged Ms. Goto for her helpfulness.</p> |
| Executive Session | <p>President Knowles recessed the regular meeting at 9:10 a.m. into Executive Session to discuss ongoing litigation, the Superintendent's performance, and potential real estate acquisition matters.</p> <p>President Knowles stated that no action would be taken in this Executive Session and the board would reconvene in approximately 26 minutes.</p> |
| Open Session | <p>President Knowles reconvened into open session at 9:36 a.m. <i>Motion was made, seconded and passed unanimously to approve</i> Resolution 2013:06 approving the term and conditions of an extension to the employment agreement with the superintendent of the district.</p> <p><i>Motion was made, seconded and passed unanimously</i> that, because the terms and conditions of the extension of Superintendent Zapora's employment agreement included the elimination of his right to receive incentive compensation for the remainder of</p> |


2013, Superintendent Zapora be paid incentive compensation on a pro rata basis under the terms of his existing employment agreement for the period of January 1, 2013 through April 24, 2013 in the amount of \$6,594.16 (based on the Commission's assessment of the accomplishment of his goals during that period) as an inducement for Superintendent Zapora to agree to enter into the proposed extension of his employment agreement.

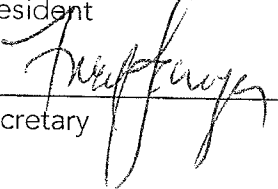
Motion was made, seconded and passed unanimously to authorize Superintendent Zapora to negotiate a purchase and sale agreement for the use of the Verdant Health Commission office and wellness center.

Adjourn

There being no further business to discuss, the meeting was adjourned at 9:37 a.m.

ATTEST BY:



President


Secretary

Public Hospital District #2, Snohomish County

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Balance Sheet

As of March 31, 2013

| | Dec 31, 2012 | Mar 31, 2013 | \$ Change | Comments: |
|---|-------------------|-------------------|----------------|----------------------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| 1 Total Cash Balance | 1,451,628 | 574,615 | (877,012) | |
| 2 Total Accounts Receivable | 776,302 | 110 | (776,192) | Payment by S/E received |
| Other Current Assets | | | | |
| 3 Total Misc Current Assets | 11,181 | 11,181 | - | BofA Unamortized Financing Costs |
| 4 Total Investments | 40,128,375 | 43,099,110 | 2,970,735 | |
| 5 Total Other Miscellaneous Receivables | 1,071,089 | 1,533,747 | 462,658 | M&O Tax Levy Recv |
| 6 Total Prepaid Expenses & Others | 25,106 | 8,254 | (16,852) | |
| 7 Total Other Current Assets | 41,235,751 | 44,652,291 | 3,416,541 | |
| 8 Total Current Assets | 43,463,681 | 45,227,017 | 1,763,336 | |
| 9 Total Fixed Assets | 26,154,403 | 25,104,254 | (1,050,149) | |
| 10 Total Financing & Lease Costs | 407,524 | 402,953 | (4,570) | |
| 11 Total Other Assets | 6,399,306 | 6,396,511 | (2,795) | |
| TOTAL ASSETS | 76,424,913 | 77,130,735 | 705,822 | |

* Audit is not complete on Dec 2012

E: 20:13
4.24.2013

Public Hospital District #2, Snohomish County

DRAFT

Balance Sheet

As of March 31, 2013

| LIABILITIES & EQUITY | | Dec 31, 2012 | Mar 31, 2013 | \$ Change | Comments: |
|---------------------------------------|-----------------------------------|-------------------|-------------------|----------------|---|
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| 12 | Total Accounts Payable | 76,581 | 62,315 | (14,266) | |
| 13 | Total Credit Cards | 90 | 1,373 | 1,283 | |
| Other Current Liabilities | | | | | |
| 14 | Total Accrued Salary & Benefits | 34,213 | 44,308 | 10,095 | |
| 15 | Interest & Orig Issue Premium | 506,068 | 535,563 | 29,495 | 2012 LTGO Bonds |
| 16 | Total Other Payables & Accruals | 365,058 | 550,392 | 185,333 | P/L & W/C Settlements & S/E overpayment |
| 17 | Current Portion of L-T Debt | 720,000 | 720,000 | - | Annual Bond Payment due Dec 1 |
| 18 | Total Other Current Liabilities | 1,625,340 | 1,850,262 | 224,923 | |
| 19 | Total Current Liabilities | 1,702,010 | 1,913,950 | 211,940 | |
| Long-term Liabilities | | | | | |
| 20 | Total Long-term Debt - Operations | 5,905,000 | 5,905,000 | - | 2012 LTGO Bonds |
| 21 | Total Other Long-term Liabilities | 202,870 | 202,870 | - | P/L & W/C Reserve |
| 22 | Total Long-term Liabilities | 6,107,870 | 6,107,870 | - | |
| 23 | Total Liabilities | 7,809,880 | 8,021,820 | 211,940 | |
| 24 | Total Equity | 68,615,033 | 69,108,915 | 493,882 | Net Income |
| TOTAL LIABILITIES & EQUITY | | 76,424,913 | 77,130,735 | 705,822 | |

* Audit is not complete on Dec 2012

Public Hospital District #2 of Snohomish County

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Profit Loss

March 2013

| | Feb 2013 | Mar 2013 | \$ Change | Comments: |
|-----------------------------------|----------|----------|-----------|---|
| Ordinary Income/Expense | | | | |
| 1 Total Income | 834,327 | 837,240 | 2,913 | |
| Expenses | | | | |
| Operating Expenses | | | | |
| 2 Total Salaries & Benefits | 41,792 | 73,971 | 32,179 | Includes 2012 Superintendent Incentive Comp |
| 3 Total Workers Comp | 3,351 | 3,370 | 19 | |
| 4 Total Depreciation | 350,160 | 350,050 | (111) | |
| 5 Total Insurance | 892 | 901 | 8 | |
| 6 Total Interest Expense | 15,001 | 15,001 | - | |
| 7 Total Amortization | 1,249 | 1,249 | - | |
| 8 Total Professional Services | 27,656 | 41,738 | 14,082 | Includes Moss Adams 2012 Audit Expenses |
| 9 Total Purchased Services | 998 | 2,578 | 1,580 | |
| 10 Rent Expense | 2,900 | 2,900 | - | |
| 11 Total Other Expenses | 327 | 723 | 396 | |
| 12 Total Supplies | 376 | 330 | (46) | |
| 13 Total Taxes | 918 | 941 | 23 | |
| 14 Total Utilities | 503 | 546 | 43 | |
| 15 Total Operating Expenses | 446,123 | 494,297 | 48,174 | |
| Program Expenses | | | | |
| 19 Total Program Expenses | 184,776 | 216,897 | 32,121 | |
| 21 Total Expense | 630,899 | 711,194 | 80,295 | |
| 22 Net Ordinary Income | 203,428 | 126,046 | (77,382) | |
| Other Income/Expense | | | | |
| Other Income | | | | |
| 25 Total General Obligation Bonds | 6,552 | 5,881 | (670) | |
| 26 Total Non Operating Revenue | 121,335 | 69,811 | (51,524) | Gain on Investment |
| 20 Total Other Income/Expense | 127,886 | 75,692 | (52,194) | |
| Net Income | 331,314 | 201,739 | (129,576) | |

Public Hospital District #2 of Snohomish County
Profit Loss Budget vs. Actual
January - March 2013

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| | <u>A</u> | <u>B</u> | <u>C</u> | <u>D</u> |
|--|-------------------------|---------------------------|--------------------------------|------------------------|
| | <u>Jan-Mar 2013</u> | <u>Jan-Mar Budget</u> | <u>Over/(Under) Budget</u> | <u>% of Budget</u> |
| Operating Revenues | | | | |
| 1 M&O Tax Levy | 509,736 | 514,068 | (4,332) | 99.2% |
| 2 Rental Income | 1,980,549 | 1,980,720 | (171) | 100.0% |
| 3 Pavilion Ground Lease Income | 11,677 | 11,677 | - | 100.0% |
| 4 Other Operating Income | 98 | - | 98 | 100.0% |
| 5 Total Operating Revenues | 2,502,060 | 2,506,465 | (4,405) | 99.8% |
| Operating Expenses | | | | |
| 6 Salaries | 147,666 | 163,125 | (15,459) | 90.5% |
| 7 Benefits | 18,807 | 22,656 | (3,849) | 83.0% |
| 8 Workers Comp | 13,837 | 14,625 | (788) | 94.6% |
| 9 Insurance | 3,027 | 6,452 | (3,425) | 46.9% |
| 10 Interest Expense | 45,300 | 56,688 | (11,388) | 79.9% |
| 11 Amortization | 3,747 | 8,465 | (4,718) | 44.3% |
| 12 Rent Expense | 8,700 | 8,700 | - | 100.0% |
| 13 Consulting | 45,008 | 45,000 | 8 | 100.0% |
| 14 Legal | 7,915 | 10,000 | (2,086) | 79.1% |
| 15 Accounting/Auditing | 27,428 | 27,250 | 178 | 100.7% |
| 16 Other Professional Services | 7,511 | 2,500 | 5,011 | 300.4% |
| 17 Purchased Services | 5,470 | 15,900 | (10,430) | 34.4% |
| 18 Supplies | 1,010 | 3,900 | (2,890) | 25.9% |
| 19 License and Tax | 2,784 | - | 2,784 | 100.0% |
| 20 Utilities | 1,579 | 1,644 | (65) | 96.0% |
| 21 Miscellaneous Expenses | 2,237 | 15,024 | (12,787) | 14.9% |
| 22 Total Operating Expenses | 342,026 | 401,929 | (59,903) | 85.1% |
| 23 Community Program Investments | 614,908 | 1,575,000 | (960,092) | 39.0% |
| 24 Net Ordinary Income | 1,545,126 | 529,536 | 1,015,590 | 291.8% |
| Other Income/(Expense) | | | | 0.0% |
| 25 2003 GO Tax Levy | 18,852 | - | 18,852 | 100.0% |
| 26 Investment Income | 279,693 | 270,000 | 9,693 | 103.6% |
| 27 Unrealized G/L on Investment | (308,915) | - | (308,915) | 100.0% |
| 28 Other Income (Expense) | 9,275 | - | 9,275 | 100.0% |
| 29 Total Other Income/(Expense) | (1,095) | 270,000 | (271,095) | -0.4% |
| 30 Net Income (Before Depreciation) | 1,544,031 | 799,536 | 744,495 | 193.1% |
| 31 Depreciation | 1,050,149 | 1,053,933 | (3,784) | 99.6% |
| 32 Net Income (After Depreciation) | 493,882 | (254,397) | 748,279 | -194.1% |

Balanced Approach, Increase Investment Over Time

| | A | C | D | E | F | G | H | I | J | K |
|----|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1 | \$ Millions | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 2 | Revenue | | | | | | | | | |
| 3 | Swedish Lease | \$7.49 | \$7.71 | \$7.95 | \$8.18 | \$8.43 | \$8.68 | \$8.94 | \$9.21 | \$9.49 |
| 4 | Value Village Lease | \$0.28 | \$0.28 | \$0.28 | \$0.28 | \$0.28 | \$0.28 | \$0.28 | \$0.00 | \$0.00 |
| 5 | Pavillion Ground Lease | \$0.05 | \$0.05 | \$0.05 | \$0.05 | \$0.05 | \$0.05 | \$0.05 | \$0.05 | \$0.05 |
| 6 | Investment Earnings | \$1.12 | \$0.80 | \$0.80 | \$0.88 | \$0.97 | \$1.05 | \$1.12 | \$1.19 | \$1.24 |
| 7 | Levy | \$2.04 | \$2.05 | \$2.05 | \$2.05 | \$2.05 | \$2.05 | \$2.05 | \$2.05 | \$2.05 |
| 8 | Total Revenue | \$10.97 | \$10.89 | \$11.11 | \$11.44 | \$11.77 | \$12.10 | \$12.44 | \$12.49 | \$12.82 |
| 9 | Expenses | | | | | | | | | |
| 10 | Regular Verdant Operating Expenses | \$1.04 | \$1.08 | \$1.12 | \$1.17 | \$1.21 | \$1.26 | \$1.31 | \$1.36 | \$1.42 |
| 11 | Program Expenses | | | | | | | | | |
| | a) External 75% of total | \$1.66 | \$3.30 | \$3.55 | \$3.90 | \$4.29 | \$4.72 | \$5.19 | \$5.71 | \$6.28 |
| | b) Internal 20% of total | \$0.12 | \$0.69 | \$0.95 | \$1.04 | \$1.14 | \$1.26 | \$1.39 | \$1.52 | \$1.68 |
| | c) Superintendent 5% of total | \$0.09 | \$0.32 | \$0.24 | \$0.26 | \$0.29 | \$0.31 | \$0.35 | \$0.38 | \$0.42 |
| | d) One time | | \$2.00 | | | | | | | |
| 12 | Total Program Expenses | \$1.87 | \$6.30 | \$4.73 | \$5.20 | \$5.72 | \$6.30 | \$6.93 | \$7.62 | \$8.38 |
| 13 | Hospital Legacy | \$0.13 | \$0.12 | \$0.10 | \$0.07 | \$0.07 | \$0.07 | \$0.07 | \$0.07 | \$0.07 |
| 14 | Ongoing Hospital | \$0.09 | \$0.09 | \$0.08 | \$0.06 | \$0.06 | \$0.06 | \$0.06 | \$0.06 | \$0.06 |
| 15 | Bond Principal Payments | \$1.81 | \$0.72 | \$0.75 | \$0.77 | \$0.81 | \$0.84 | \$0.88 | \$0.92 | \$0.96 |
| 16 | Mckesson/Banc of America Lease | \$1.13 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 17 | Total Expenses | \$5.97 | \$8.22 | \$6.69 | \$7.21 | \$7.81 | \$8.47 | \$9.18 | \$9.97 | \$10.82 |
| 18 | Cash Outlay for Building Purchase | | \$3.00 | | | | | | | |
| 19 | Net Operating Cash Flow | \$5.00 | -\$0.33 | \$4.42 | \$4.23 | \$3.96 | \$3.64 | \$3.25 | \$2.52 | \$1.99 |
| 20 | Beginning Cash Balance* | \$35.12 | \$40.13 | \$39.80 | \$44.22 | \$48.45 | \$52.42 | \$56.05 | \$59.30 | \$61.83 |
| 21 | Net Cash Flow | \$5.00 | -\$0.33 | \$4.42 | \$4.23 | \$3.96 | \$3.64 | \$3.25 | \$2.52 | \$1.99 |
| 22 | Ending Cash Balance* | \$40.13 | \$39.80 | \$44.22 | \$48.45 | \$52.42 | \$56.05 | \$59.30 | \$61.83 | \$63.82 |

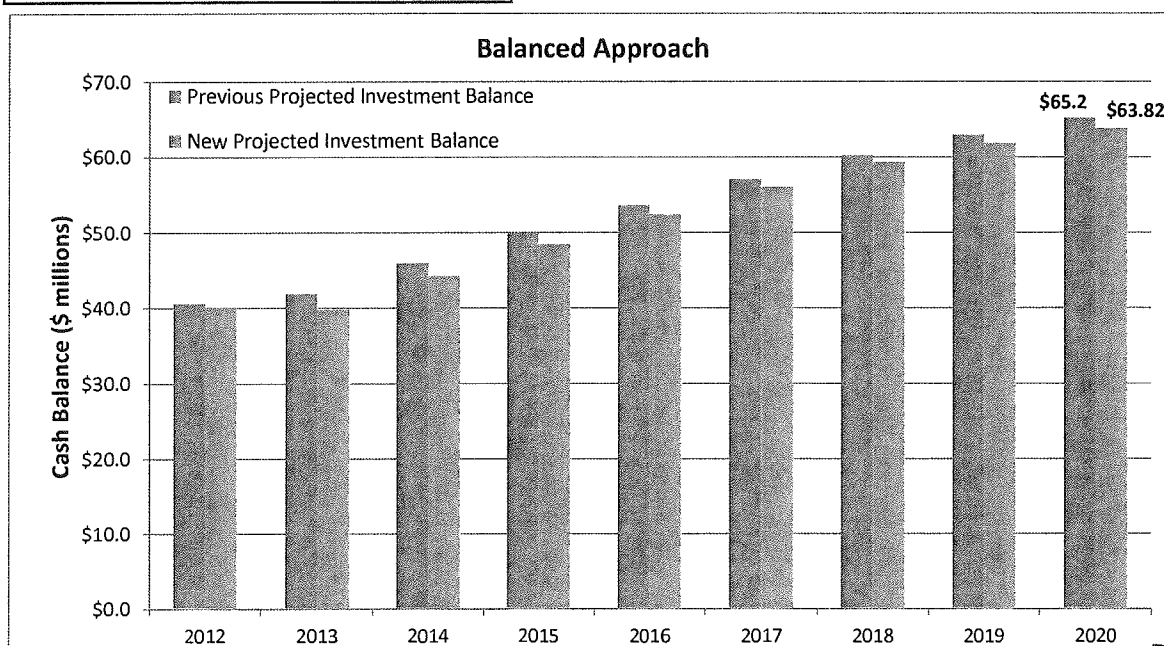
| Assumptions | |
|-------------------------------------|----|
| Growth Rate on Swedish Lease Income | 3% |
| Operating Expense Growth Rate | 4% |
| Earnings on Investment Portfolio | 2% |

Notes:

Line 4 assumes 5 year contract renewal for Value Village

Line 12 assumes a 10% spending increase per year

* Excludes daily operating cash



Public Hospital District #2 of Snohomish County
Summary of Cash Receipts and Disbursements
March 2013

| | March 2013 | |
|-----------------------------------|---------------------|--|
| | Amount | |
| Receipts: | | |
| Other Rental Income | 26,678.67 | Value Village |
| Swedish/Edmonds Rental Income | 636,540.01 | |
| Snohomish County Tax Levy | 33,292.39 | |
| Ground Lease Payments | 4,166.67 | |
| Misc. Reimbursements/Refunds | 761,945.37 | Swedish, Reimbursements & Interest Income |
| Total Receipts | <u>1,462,623.11</u> | |
| Disbursements: | | |
| Professional Services: | | |
| Legal Fees | 4,892.50 | Litigation and Professional Liability Legal Fees |
| Accounting Fees | 26,844.15 | Ash Consulting, Moss Adams, WA State Auditors |
| Consulting Fees | 24,000.00 | Howard Thomas Feb & Mar Retainer |
| Professional Services | 181.00 | Benefit Solutions Administrator, IT support |
| Purchased Services | 12,308.52 | Paychex, Bank Service Fees, Telephone support, Bond Rating |
| Payroll | 38,567.89 | 2 pay periods Plus Benefit Solutions & Superintendent Incentive Comp |
| Payroll Taxes | 21,305.22 | 2 pay periods |
| Employee Insurance | 3,725.57 | Regence Medical & Dental, Principal Life |
| Employee Retirement Contributions | 5,502.56 | Valic |
| Program Expenditures | 218,362.17 | Includes Pertussis, 6WTHY & Community Needs Assessment |
| Workers Compensation | 6,690.39 | Eberle Vivian |
| Other Miscellaneous Expenses | 6,937.02 | Supplies, Rent, Canon Lease, Dues, Interest Expense, Taxes |
| Total Disbursements | <u>369,316.99</u> | |

Public Hospital District #2

Cash Activity

| Warrant Number | Transaction Date | Payee | Amount | Purpose |
|-------------------|------------------|----------------------------------|-----------|--|
| Warrant Activity: | | | | |
| 10226 | 3/8/2013 | Thomas & Associates | 24,000.00 | Consulting - Feb & Mar Retainer |
| 10227 | 3/8/2013 | Eberle Vivian | 3,750.00 | Workers Compensation Administration |
| 10228 | 3/8/2013 | Pacific Art Press Inc. | 1,471.13 | Flyers & Postcards - 6WTHY |
| 10229 | 3/8/2013 | Wells Fargo | 1,105.03 | Misc. |
| 10230 | 3/8/2013 | Snohomish County | 2,625.00 | Programs - Beauty & Health Fair |
| 10231 | 3/8/2013 | Ash Consulting | 4,207.50 | Accounting Consulting |
| 10232 | 3/8/2013 | Moody's Investors Service | 11,500.00 | Rating for Bond Refinance |
| 10233 | 3/8/2013 | Sedgwick CMS | 325.00 | Professional Liability Administration |
| 10234 | 3/8/2013 | Institute for Fitness and Health | 96.29 | Programs - 6WTHY |
| 10235 | 3/13/2013 | Electronic Business Machines | 557.46 | Copy Machine Maintenance |
| 10236 | 3/13/2013 | Nick of Time Foundation | 86.50 | Programs - Superintendent Discretionary |
| 10237 | 3/20/2013 | Ace Internet Services, Inc. | 169.50 | IT Support |
| 10238 | 3/20/2013 | State Auditor's | 961.40 | Professional Services - 2011 State Audit |
| 10239 | 3/20/2013 | Advocate Telecom | 155.78 | Telephone Support |
| 10240 | 3/20/2013 | Canon Financial Services | 301.13 | Copy Machine Lease |
| 10241 | 3/20/2013 | Pacific Art Press Inc. | 82.13 | Advertisement in Inside Lynnwood - 6WTHY |
| 10242 | 3/20/2013 | Refugee & Immigrant Services NW | 43.75 | Translation Services - 6WTHY |
| 10243 | 3/20/2013 | Special Occasions Catering | 356.11 | Catering for Special Business Meeting |
| 10244 | 3/20/2013 | Staples | 139.91 | Supplies |
| 10245 | 3/27/2013 | Benefit Solutions Inc. | 11.50 | FSA Administration |
| 10246 | 3/27/2013 | Foster Pepper | 4,567.50 | Legal |
| 10247 | 3/27/2013 | Moss Adams - Audit | 21,675.25 | Professional Services - 2012 Financial Audit |
| 10248 | 3/27/2013 | Principal Financial Group | 600.27 | Life Insurance |
| 10249 | 3/27/2013 | Regence BlueShield | 3,125.30 | Medical Insurance |
| 10250 | 3/27/2013 | Wells Fargo | 143.81 | Misc. |
| 10251 | 3/27/2013 | Lynnwood PFD | 3,045.00 | Rent |
| 10252 | 3/27/2013 | Wells Fargo | 325.15 | Misc. |
| Total Warrants | | | 85,427.40 | |

Workers Compensation Claims Activity:

| | | | | |
|---------------|----------|---------------------------|----------|-------------------------------|
| 305009-305015 | Mar 2013 | Various Claimants/Vendors | 2,940.39 | Administered by Eberle Vivian |
|---------------|----------|---------------------------|----------|-------------------------------|

| Transaction Date | Payee | Amount | Purpose |
|------------------------------|---|----------------------|---|
| Wire/ACH Activity: | | | |
| 3/8/2013 | Payroll | 25,480.19 | ACH payroll transfer |
| 3/8/2013 | Department of Treasury | 16,043.00 | Payroll taxes for 3/2/13 pay period ending |
| 3/8/2013 | Paychex | 80.32 | Fee for payroll processing |
| 3/8/2013 | Valic | 3,705.82 | Payroll 401(a)/457 Deposit |
| 3/22/2013 | Payroll | 12,670.42 | ACH payroll transfer |
| 3/22/2013 | Department of Treasury | 5,262.22 | Payroll taxes for 3/16/13 pay period ending |
| 3/22/2013 | Paychex | 74.92 | Fee for payroll processing |
| 3/22/2013 | Valic | 1,796.74 | Payroll 401(a)/457 Deposit |
| 3/11/2013 | Wells Fargo | 305.48 | Bank Service Fee |
| 3/11/2013 | Wells Fargo | 49.71 | Bank Service Fee |
| 3/28/2013 | Bank of America - Fees | 93.65 | Bank Service Fee |
| 3/11/2013 | Wells Fargo | 48.66 | Bank Service Fee |
| 3/15/2013 | American Diabetes Association | 12,500.00 | Program Payment |
| 3/15/2013 | American Heart Association | 800.00 | Program Payment |
| 3/15/2013 | Boys & Girls Club of Snohomish County | 9,328.25 | Program Payment |
| 3/15/2013 | Cascade Bicycle Club Education Foundation | 6,416.67 | Program Payment |
| 3/15/2013 | Center for Human Services | 13,523.67 | Program Payment |
| 3/15/2013 | City of Lynnwood | 43,640.67 | Program Payment |
| 3/15/2013 | Community Health Center of Snohomish Co | 8,333.33 | Program Payment |
| 3/15/2013 | Domestic Violence Services Snohomish Co | 1,621.08 | Program Payment |
| 3/15/2013 | Edmonds School District No. 15 | 28,056.82 | Program Payment |
| 3/15/2013 | Edmonds Senior Center | 5,764.50 | Program Payment |
| 3/15/2013 | Little Red Schoolhouse | 22,000.00 | Program Payment |
| 3/15/2013 | Medical Teams International | 4,000.00 | Program Payment |
| 3/15/2013 | Parent Trust for WA Children | 2,083.33 | Program Payment |
| 3/15/2013 | Program for Early Parent Support | 3,333.33 | Program Payment |
| 3/15/2013 | Project Access Northwest | 6,666.67 | Program Payment |
| 3/15/2013 | Providence Hospice & Home Care Foundation | 12,916.67 | Program Payment |
| 3/15/2013 | Puget Sound Christian Clinic | 6,250.00 | Program Payment |
| 3/15/2013 | Senior Services of Snohomish County | 11,208.33 | Program Payment |
| 3/15/2013 | YWCA of Seattle, King and Snohomish Co | 4,166.66 | Program Payment |
| 3/15/2013 | Strategic Learning Resources, Inc. | 11,347.39 | Program Payment |
| 3/6/2013 | Benefit Solutions Inc. | 20.00 | FSA Payments |
| 3/8/2013 | Benefit Solutions Inc. | 14.60 | FSA Payments |
| 3/21/2013 | Benefit Solutions Inc. | 36.54 | FSA Payments |
| 3/27/2013 | Benefit Solutions Inc. | 346.14 | FSA Payments |
| 3/26/2013 | WA Department of Revenue | 963.42 | B&O tax for Feb 2013 |
| Total Wires/ACH Transactions | | 280,949.20 | |
| Total Disbursements | | \$ 369,316.99 | |

| Date | Payer | Amount | Purpose |
|----------------|----------------------------------|------------------------|------------------------------------|
| Deposits: | | | |
| 3/1/2013 | Swedish/Edmonds | 636,540.01 | Monthly lease |
| 3/1/2013 | Value Village | 26,678.67 | Monthly lease |
| 3/11/2013 | Snohomish County | 33,292.39 | Levy |
| 3/20/2013 | Healthcare Realty Services, Inc. | 4,166.67 | Monthly lease |
| 3/25/2013 | Carolyn Wood | 98.00 | 6WTHY Registration |
| 3/14/2013 | PFD - Copies | 113.75 | Copies |
| 3/27/2013 | Swedish - Misc. Receivables | 761,707.06 | Payment of Balance Due |
| 3/28/2013 | Thomas & Associates | 10.53 | Reimbursement for personal charges |
| 3/31/2013 | Investment Income - Op | 15.58 | Interest income |
| 3/31/2013 | Investment Income - Op | 0.45 | Interest income |
| Total Deposits | | <u>\$ 1,462,623.11</u> | |

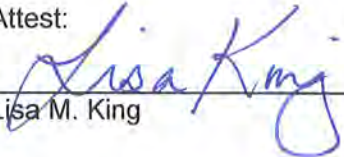
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4.24.2013

VERDANT HEALTH COMMISSION
PUBLIC HOSPITAL DISTRICT #2
SNOHOMISH COUNTY, WASHINGTON

WARRANT APPROVAL

We, the undersigned Board of Commissioners of Public Hospital District #2 of Snohomish County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that Warrant Numbers 10226 through 10252 have been issued for payment in the amount of \$85,427.40. These warrants are hereby approved.

Attest:



Lisa M. King



Commissioner



Commissioner



Commissioner



Commissioner

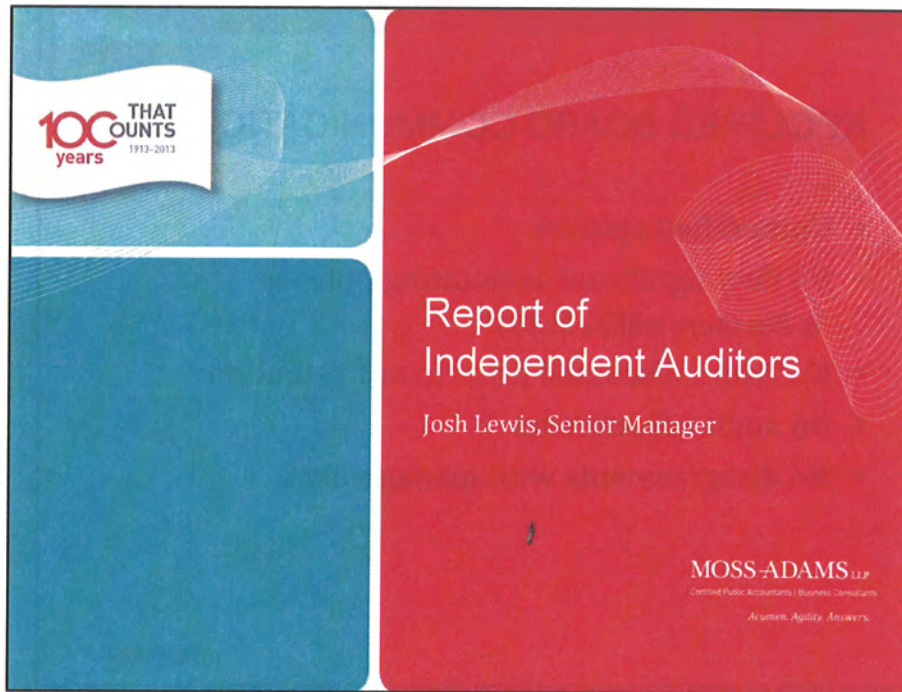


Commissioner

| | | |
|----------------------|-----------------------|---------------------|
| Warrants Processed: | 3-1-13 – 3-31-13 | 85,427.40 |
| Work Comp Claims Pd: | 3-1-13 – 3-31-13 | 2,940.39 |
| Payroll: | 2-17-13 – 3-2-13 | 25,480.19 |
| | 3-3-13 – 3-16-13 | <u>12,670.42</u> |
| | | 38,150.61 |
| Electronic Payments: | Payroll Taxes | 21,305.22 |
| | Paychex | 155.24 |
| | Valic Retirement | 5,502.56 |
| | Benefit Solutions | 417.28 |
| | Bank Fees | 497.50 |
| | WA State Dept Revenue | 963.42 |
| | Program Expenditures | <u>213,957.37</u> |
| | | <u>242,798.59</u> |
| | Grand Total | <u>\$369,316.99</u> |

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4.24.2013

4/19/2013





REQUIRED BOARD COMMUNICATIONS

- Unmodified opinion
- No new significant accounting policies
 - But there will be in 2013
- No issues discussed prior to our retention
- No audit adjustments
- No disagreements with management

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ACCOUNTING ESTIMATES

- Estimates are reasonable
- Estimates include: useful lives of assets, worker's compensation claims, estimated professional liability and estimated third party settlements
- Significantly impact financial statements
- Based on best available information
- **Changes are reported in period they become known**

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CHANGE IN ESTIMATES

IMPACT TO BOTTOM LINE

| | 2011 | 2012 |
|------------------------------------|-----------|-----------|
| Worker's comp liability | 930,000 | 45,000 |
| Professional liability | 380,000 | 185,000 |
| Receivable from/payable to Swedish | 310,000 | 1,340,000 |
| Third-party settlements | - 870,000 | 1,170,000 |
| Net increase to bottom line | 750,000 | 2,740,000 |

Most significant cause of the increase was a change in the SSI%, which impacts the cost reports

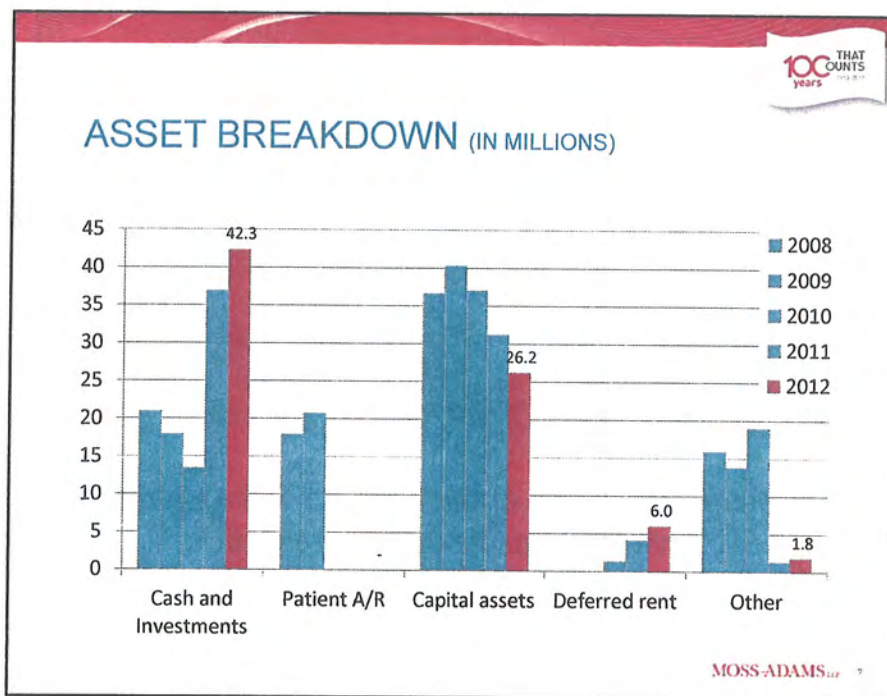
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ACCOUNTING FOR LEASE WITH SWEDISH

- Straight-line accounting
 - Deferred rent asset represents income recognized but not yet paid
- Lease accounting currently in flux
 - FASB and IASB working to rewrite current lease guidance
 - GASB may adopt the new guidance established by FASB
- Impact to Verdant
 - Accounting for the Swedish lease may change in the future

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HEALTHCARE REFORM

MEDICAID EXPANSION & HEALTH BENEFIT EXCHANGE

- Medicaid expansion
 - Coverage begins January 1, 2014
 - Eligibility expanded to 133% FPL (functionally 138%)
- Health Benefit Exchange
 - Subsidies for up to 400% of the FPL
 - Functions as a virtual supermarket for insurance
 - Exchange key dates:
 - 7/1/13 – finalization of Qualified Health Plan contracts
 - 10/1/13 – open enrollment begins
 - 1/1/14 – exchange benefits begin
 - 12/31/14 – exchange must be self-sustaining

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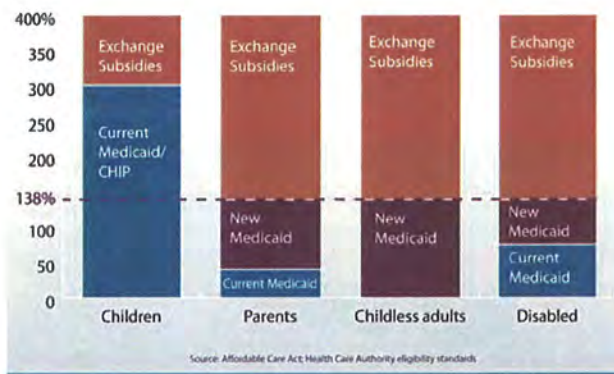


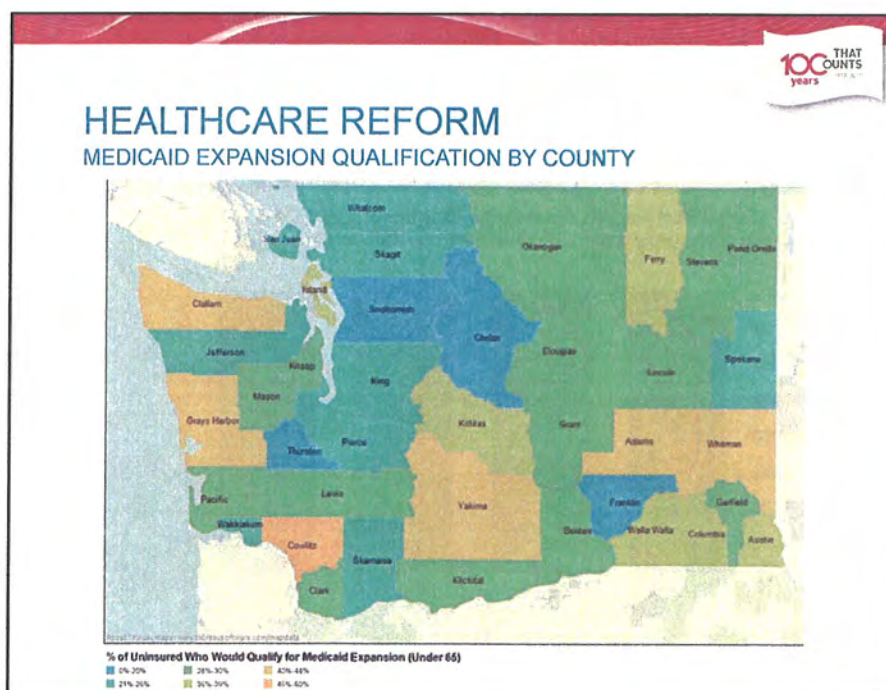
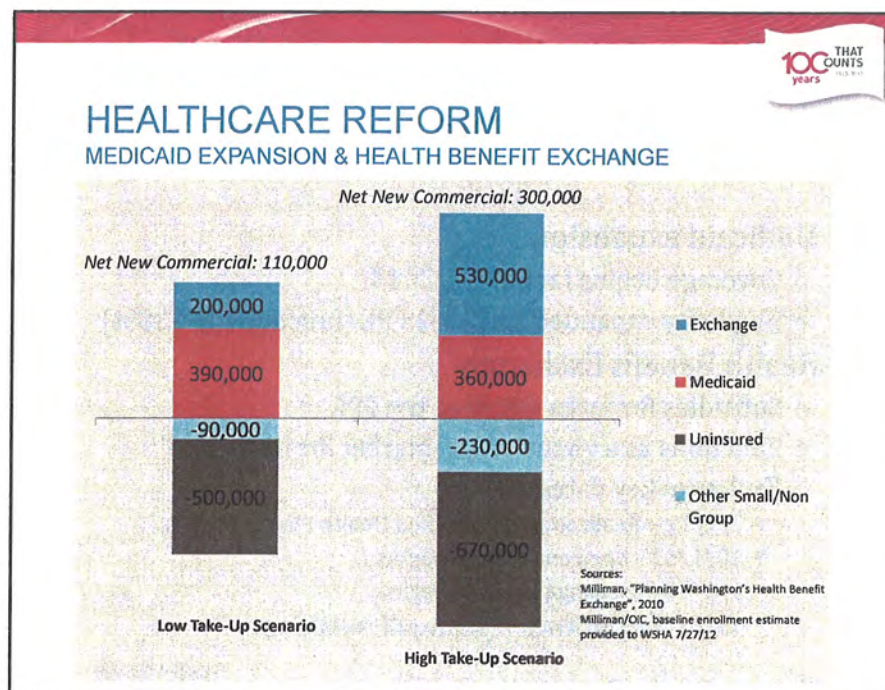
HEALTHCARE REFORM

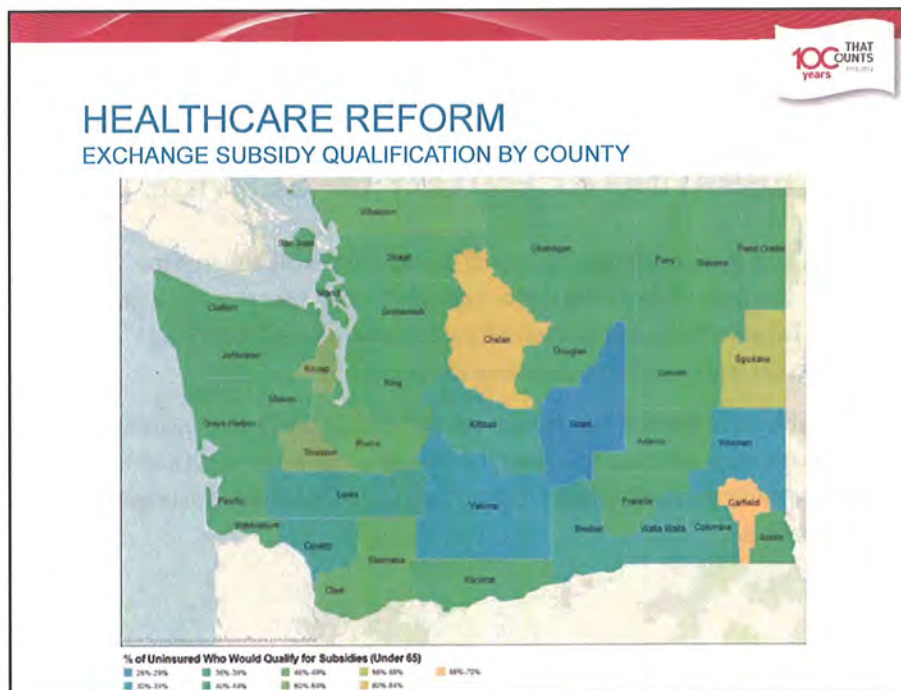
MEDICAID EXPANSION & HEALTH BENEFIT EXCHANGE

Simplified Health Coverage Beginning in 2014

Subsidized coverage options under health reform, by Federal Poverty Level (FPL)







100 years THAT COUNTS 1913-2012

HEALTHCARE REFORM

CHALLENGES THAT STILL NEED TO BE ADDRESSED

- Access to care – PPACA did a lot for access to coverage, access to care may still be an issue
 - Large amount of newly insured patients
 - Primary care not well reimbursed under current payment system
 - Shortage of providers/willingness to take on newly insured patients
- Cost – PPACA didn't do much to bend the cost curve
 - Need to deliver the right care at the right time in the right location.
 - Need to utilize (and value) primary care and care coordination
 - Need to reform payment models to align incentives
 - Individuals need to take ownership in improving their health

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CELEBRATING A CENTURY OF SERVICE

In 1913 an accountant opened a small practice in Seattle to serve the Pacific Northwest's booming timber industry. Today, that practice is one of the largest accounting and consulting firms in the nation, serving businesses and organizations around the globe.

Yet while we're pleased to celebrate our centennial, we remain focused on what's truly mattered all along: you. Because anniversaries are nice, but providing you with vital insights to help your organization succeed? That counts.

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Questions

Josh Lewis
josh.lewis@mossadams.com
 425.303.3137

MOSS-ADAMS LLP
 Certified Public Accountants / Business Consultants
 Acumen. Agility. Answers.

E-23-13
4.24.2013

April 2013 Program Report

Summary of Programs for Discussion

- Two new program funding applications

Not Recommended for Funding:

- **New Sound Church – Senior Housing:** a one-time request of \$15,000 to assist with the planning of an affordable senior housing community in Mountlake Terrace. Funds would be used to update the city's comprehensive plan.

The committee is not recommending funding this program at this time. The project is primarily for the purpose of increasing housing for seniors, rather than a direct health or wellness use. Although there were some long-term ideas in the proposal about incorporating health and fitness spaces in the project, they were not specific or well defined enough at this stage.

- **Center for Advanced Recovery Solutions – Recovery Support House:** A for-profit (private practice counseling practice) company called the Center for Advanced Recovery Solutions (CAREs) has reapplied for start-up funding for a recovery center targeting young people (18-26) in South Snohomish County. The program would be operated out of a single family home and would serve as a transitional environment for young people coming out of treatment programs.

The committee is not recommending funding this program at this time. Even though there is a need for substance abuse services for teens, there were still concerns with this particular proposal given the lack of organizational and financial track record of the applicant. Although the revised request is smaller (\$48,000 vs. \$107,000) than the previous one, and the organization now has 6 months of a track record providing counseling services, revenues are still small (\$3,000 total) and the committee had some concerns about the appropriateness of providing start-up capital for a for-profit enterprise.

Verdant Health Commission Proposal Summary April 2013

| A | | B | | | C | D | E | F | G | H | I | J |
|---------------------------|---|---|---------------------|--------|--------|-------------------------|------------|----------------------|-------------------|---------------------------|---|---|
| Programs for April Review | | | | | | | | | | | | |
| # | Name | Description | Request for funding | | | Priority Area | | | | | | |
| | | | Year 1 | Year 2 | Year 3 | Education & Empowerment | Prevention | Access to Healthcare | Policy & Advocacy | Primary Population Served | | |
| 1 | New Sound Church - Senior Housing Community | New Sound Church is seeking one time funding to assist with the planning of an affordable senior housing community in Mountlake Terrace. Funds would be used to update the city's comprehensive plan. The project concept would include a community center, transportation and other possible resources like an in house clinic, meeting rooms, computer access, exercise facilities, spa etc. | \$15,000 | | | X | X | X | | Seniors | | |
| 2 | Center for Advanced Recovery Solutions | A for-profit (private practice counseling practice) company called the Center for Advanced Recovery Solutions (CAREs) has reapplied for start-up funding for a recovery center targeting young people (18-26) in South Snohomish County. The program would be operated out of a single family home and would serve as a transitional environment for young people coming out of treatment programs. | \$48,000 | | | X | X | X | | Young people in recovery | | |

Program Payout Schedule (April 2013)

| | A | C |
|----|---|------------------------|
| | | Budget 2013 |
| 1 | | |
| 2 | 7100 . Grants | |
| 3 | Committed | |
| 4 | Edmonds Senior Center Enhanced Wellness | \$ 61,695 |
| 5 | Edmonds School District Move 60! | \$ 382,188 |
| 6 | 3rd Grade Swim Lessons | \$ 137,430 |
| 8 | Boys & Girls Club Healthy Habits | \$ 111,939 |
| 9 | City of Lynnwood Move 60: Teens! | \$ 77,468 |
| 10 | City of Lynnwood Get Movin' | \$ 52,250 |
| 11 | Senior Services Care Coordination | \$ 100,875 |
| 12 | Little Red Nurse Family Partnership | \$ 264,000 |
| 13 | Center for Human Services Youth Counseling | \$ 162,284 |
| 14 | Project Access Northwest | \$ 80,000 |
| 15 | Community Health Center ER Diversion | \$ 100,000 |
| 16 | PSCC Edmonds Mobile Medical Clinic | \$ 75,000 |
| 17 | Parent Trust Continuum of Family Support Services | \$ 25,000 |
| 18 | Domestic Violence Services Teen Prevention | \$ 19,453 |
| 19 | Providence Hospice & Home Care Foundation | \$ 155,000 |
| 20 | YWCA Children's Domestic Violence | \$ 25,000 |
| 21 | Medical Teams Intl. Mobile Dental Program | \$ 48,000 |
| 22 | Lynnwood Fire Department Cardiac Care | \$ 15,625 |
| 23 | Program for Early Parent Support (PEPS) | \$ 40,000 |
| 24 | YWCA Mental Health Counseling | \$ 25,000 |
| 25 | Cascade Bicycling Club Advanced Basics | \$ 32,000 |
| 26 | Cascade Bicycling Club Policy Proposal | \$ 45,000 |
| 27 | American Diabetes Association Stop Diabetes | \$ 50,000 |
| 28 | Snohomish County Fall Prevention | \$ 3,000 |
| 29 | Cascade Bicycling Club Helmets | \$ 5,600 |
| 30 | Snohomish County MRC Health & Beauty Fair | \$ 2,625 |
| 31 | EdCC Student Health & Wellness Program* | \$ 76,524 |
| 32 | Senior Services Center for Healthy Aging* | \$ 262,308 |
| 33 | Prescription Drug Foundation* | \$ 50,000 |
| 34 | Team Child Policy/Advocacy Project* | \$ 32,750 |
| 35 | American Red Cross CPR Training | \$ 10,000 |
| 36 | Edmonds Senior Center Healthy Living Fair | \$ 2,000 |
| 37 | LSC Back to School Health Fair | \$ 8,000 |
| 38 | Total Committed | \$ 2,538,013 |
| 39 | Not Committed (Available to Spend) | \$ 3,209,917 |
| 40 | Total Grants | \$ 5,747,930 |
| 41 | 7300 . Internal Programs | |
| 42 | Board Approved | |
| 43 | Whooping Cough | \$ 24,000 |
| 44 | 6 Weeks to a Healthier You | \$ 80,000 |
| 45 | Community Needs Assessment | \$ 133,150 |
| 46 | Total Board Approved | \$ 237,150 |
| 47 | Total Internal Programs | \$ 237,150 |
| 48 | | |
| 49 | 7200 . Discretionary | |
| 50 | Committed | |
| 54 | Total Committed | \$ 80 |
| 55 | Not Committed (Available to Spend) | \$ 314,920 |
| 56 | Total Discretionary Programs | \$ 315,000 |
| 57 | | |
| 58 | TOTAL | \$ 6,300,000 |

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4.24.2013

April 2013 Marketing Report

6 Weeks to a Healthier You Update

Dates Scheduled

As a reminder, all sessions are scheduled to run from 6:30-8:00 p.m. at the Lynnwood Convention Center, on the following dates:

| | | | | | |
|----------------|----------------|-----------------|----------------|-----------------|-----------------|
| Monday, May 13 | Monday, May 20 | Tuesday, May 28 | Monday, June 3 | Monday, June 10 | Monday, June 17 |
|----------------|----------------|-----------------|----------------|-----------------|-----------------|

Registration

- Total registered: 195
- Cities represented by registrants:

| City of Residence | Number |
|---|--------|
| Edmonds | 50 |
| Lynnwood | 23 |
| Everett | 22 |
| horeline | 18 |
| Seattle | 15 |
| Lake Stevens | 10 |
| Bothell | 9 |
| Mountlake Terrace | 8 |
| Kenmore | 4 |
| Lake Forest Park | 4 |
| Mukilteo | 6 |
| Marysville | 3 |
| Tulalip | 3 |
| Brier, Issaquah, Kirkland, Mill Creek, Monroe, Snohomish | 2 each |
| Arlington, Bainbridge Island, Bellevue, Federal Way, Granite Falls, Kent, Renton, Sammamish | 1 each |

More Statistics on Registrants

- 47% (n=91) live in-district.
- At least another 16% (n=32) work in-district, but do not live in-district. Not all registrants list their employer.
- At least 63% live and/or work in-district.

Website Update

Timeline: We are wrapping up several items with Aukema & Associates, and they will deliver the site to us late May. At that point, we will be trained on maintaining the site and will continue to add content.

Virtual Focus Group: We will invite commissioners and partners to "test" the site for us and provide input on functionality and content.

Estimated launch date: Late June

Upcoming Events

- April 26: Healthy Living Fair, 10 a.m. – 2 p.m. at Edmonds Senior Center
- May 18: Health & Fitness Expo, 9:30 a.m. -12:30 p.m. at Edmonds-Woodway High Stadium
- May 19: Celebration of Food Festival, 11 a.m. – 4 p.m. at Lynnwood Convention Center
- June 1: Get Movin' Kick-Off, 10 a.m. -1 p.m. at Alderwood Mall
- June 19: Get Movin' FIT private registration event, 4-7 p.m. at Lynnwood Senior Center

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4.24.2013

Center for Healthy Living 2013 Supplemental Budget

The following two changes have impacted the original proposed budget. Specifically, there is a budget deficit of \$35,625 as a result of greater than expected lease expense:

■ Leased Space:

| | Proposed Budget | Actual Budget | Variance to Budget |
|---------------|-----------------|---------------|--------------------|
| Leased Space* | \$102,000 | \$137,625 | - \$35,625 |

*The original proposal for the Center for Healthy Living included leased space at \$102,000 (6,000 sq. ft. at 17.00/ft); the actual amount is \$137,625 (7,500 feet at \$18.35/ft). The additional space will provide for 4 dental operatories and two offices for other Community Based Organizations. The original proposal included space for one dental operatory. The office space for the other organizations was requested by the Verdant Health Commission.

■ Administration Reallocation:

| | Proposed Budget | Actual Budget | Variance to Budget |
|-----------------------|-----------------|---------------|--------------------|
| Marketing & Website** | \$4,000 | \$10,000 | - \$6,000 |
| Copy Machine Leases | 0 | \$3,500 | - \$3,500 |
| Utilities | \$10,000 | \$15,000 | - \$5,000 |
| Administration | 12.5% of Grant | 10% of Grant | + \$14,006 |

**Other expenses not included in the original proposal (including a request from the Commission for an expanded marketing and website presence specific to South Snohomish County) will be covered by a reduction in Senior Services administration expenses from 12.5% to 10%.



Trip to:

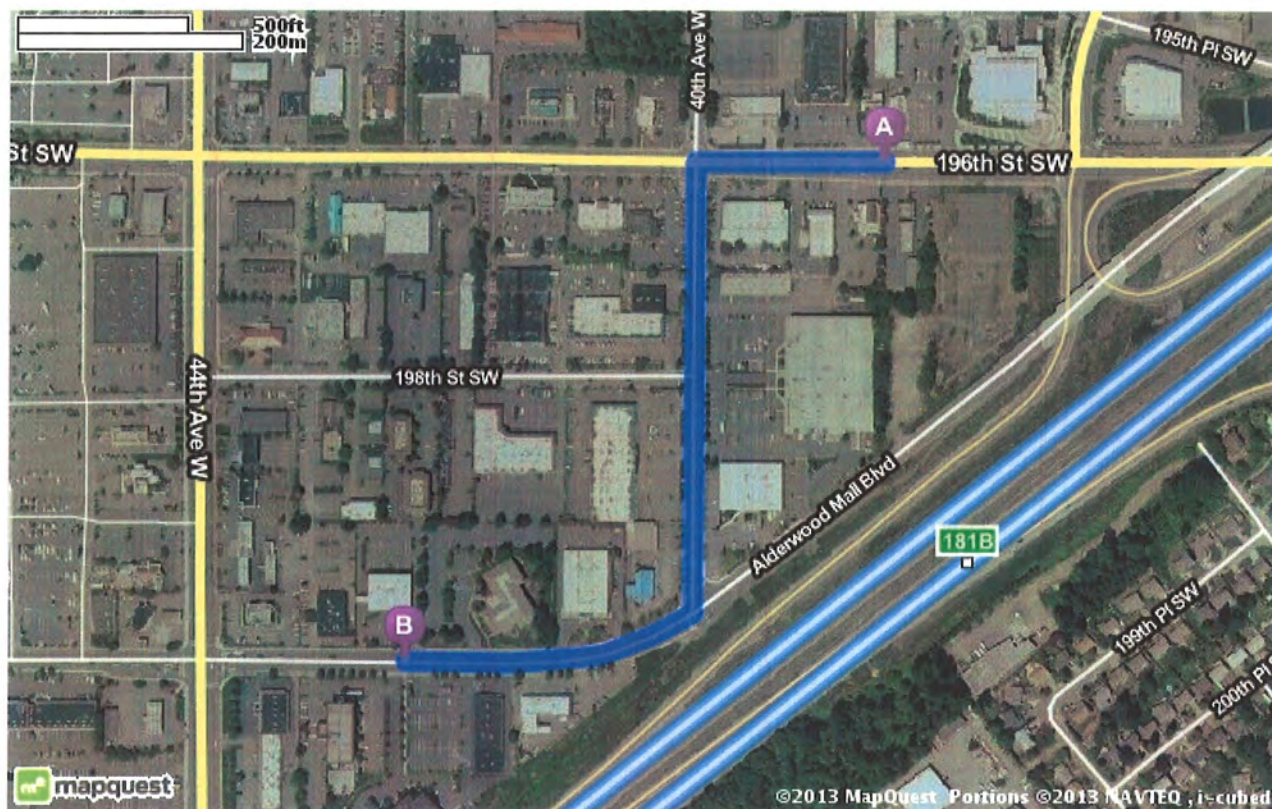
4100 Alderwood Mall Blvd

Lynnwood, WA 98036-6734

0.47 miles / 1 minute

Notes

Center for Healthy Living
4100 Alderwood Mall Blvd
Lynnwood, WA 98036



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PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON
RESOLUTION NO. 2013-05

A resolution of the Commission of Public Hospital District No. 2, Snohomish County, Washington (the "District") authorizing the lease of surplus real property owned by the District.

WHEREAS, RCW 70.44.310 authorizes the District to lease or rent out real property that is not currently required for public hospital district purposes as determined by resolution of the board of commissioners (the "Commission"); and

WHEREAS, the District owns that certain real property and all improvements thereon, as more particularly described in attached Exhibit A (the "Property"); and

WHEREAS, the Commission has determined that the Property is not currently required for public hospital purposes and that it is in the District's best interests to lease the Property to TVI, Inc., formerly known as Shop & Save Incorporated (the "Tenant"); NOW, THEREFORE,

BE IT RESOLVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, as follows:

Section 1. The Commission hereby finds that the Property is not currently required for public hospital district purposes and that the lease of the Property is in the District's best interests.

Section 2. The Commission deems it to be in the best interests of the District to lease the Property, or such portion of the Property as the superintendent and chief executive officer (the "Superintendent") deem appropriate, to the Tenant on the terms and conditions substantially set forth in the lease agreement on file in the office of the Superintendent, and subject to such final revisions as the Superintendent deems appropriate (the "Lease Agreement").

Section 3. The Superintendent of the District, or his designee, is hereby authorized and directed to execute and deliver on behalf of the District the Lease Agreement.

Section 4. The Superintendent, or his designee, is further authorized to execute and deliver on behalf of the District any additional documents that may be necessary or convenient to carry out and complete the transactions authorized by this resolution.

**EXHIBIT A TO
PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON
RESOLUTION NO. 2013-05**

Legal Property Description

PARCEL A: The South 190 feet of Tract 22, Solner's Five Acre Tracts lying Westerly of State Road No. 1, as per plat recorded in Volume 7 of Plats, Page 25, records of Snohomish County, Washington;

PARCEL B: The West 181.72 feet of the North 100 feet of the South 290 feet of Tract 22, Solner's Five Acre Tracts, as per plat recorded in Volume 7 of Plats, Page 25, records of Snohomish County, Washington.

Situate in the County of Snohomish, State of Washington.

ADOPTED AND APPROVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, at a regular open public meeting thereof this 24th day of April, 2013, the following commissioners being present and voting in favor of the resolution.



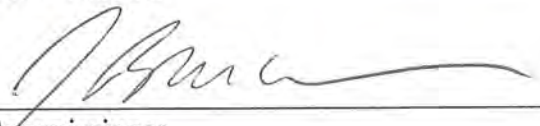
President and Commissioner



Commissioner



Commissioner




Commissioner



Secretary and Commissioner

I, Fred P. Langer, Secretary of the Commission of Public Hospital District No. 2, Snohomish County, Washington, certify that the attached copy of Resolution No. 2013-05 is a true and correct copy of the original resolution adopted on April 24, 2013, as that resolution appears on the Minute Book of the District.

DATED this 24th day of April, 2013.



Fred P. Langer,
Secretary of the Commission

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON
RESOLUTION NO. 2013-06

A resolution of the Commission of Public Hospital District No. 2, Snohomish County, Washington (the "District"), approving the terms and conditions of an extension to the employment agreement with the superintendent of the District; and authorizing the execution, delivery and performance of such extension on behalf of the District.

WHEREAS, the District and the superintendent entered into an employment agreement dated as of January 26, 2011, which agreement was amended by a First Amendment effective as of April 1, 2012 (as amended, the "Employment Agreement"); and

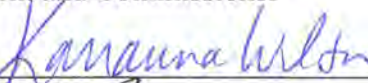
WHEREAS, the District and the superintendent desire to extend the Employment Agreement and amend certain terms of the Employment Agreement pursuant to the terms of an Employment Agreement First Extension 2013; NOW, THEREFORE,

BE IT RESOLVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, that, after due consideration and being fully advised, the terms and conditions set forth in the Employment Agreement First Extension 2013 are found to be in the best interests of the District and in the public interest, and accordingly the same are hereby approved and accepted, and the President of the Commission is authorized and directed to properly execute and deliver the agreement to the superintendent on behalf of the District in substantially the form presented to the Commission and on file in the District's offices. The President of the Commission of the District is further authorized and directed to do, or cause to be done, all things reasonable and necessary in order to fully and timely perform the agreement in accordance with its terms.

ADOPTED AND APPROVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, at a regular open public meeting thereof, held this 24th day of April, 2013, the following commissioners being present and voting in favor of this resolution.



President and Commissioner



Commissioner



Commissioner




Commissioner



Secretary and Commissioner

I, Fred P. Langer, Secretary of the Commission of Public Hospital District No. 2, Snohomish County, Washington, certify that the attached copy of Resolution 2013-06 of the District is a true and correct copy of the original resolution adopted on April 24, 2013, as that resolution appears on the Minute Book of the District.

DATED this 24th day of April, 2013.



Fred P. Langer
Secretary of the Commission