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April 9, 2020

Charles Maynard, City Manager  
11-999 Palm Drive  
Desert Hot Springs, 92240

Dear Chuck,

As we are all experiencing the continued changing environment of the Coronavirus (Covid-19) pandemic, there are ever developing challenges in managing business, work and home environments. We have tried to stay abreast of the guidance issued at the county, state and federal levels to address the healthcare needs of the communities we serve, while taking steps to mitigate the risk of exposure.

Borrego Health is committed to ensuring that the services and programs provided by the organization continue to address the needs of the communities served. As such, we have continued to provide access to childcare at the Desert Hot Springs Recreation Center. This effort has been particularly important because schools are now closed indefinitely.

In response to the ongoing need for access to childcare, Governor Newsom signed an Executive Order on April 4th waiving some of the restrictions of daycare centers in order to continue the provision of childcare services for essential workers. The order waives regulations and allows certain childcare programs to stay open. As Borrego Health was in the final process of applying for licensure, the Department of Social Services offered to issue a temporary waiver to continue the program. Based on this and further guidance, Borrego Health continues providing childcare primarily for children of essential workers. However, the capacity has been reduced to 60 children to meet the social distancing requirements and CDC guidelines for infection control in day care settings.

Until now, Borrego Health has been able to fund and sustain the Desert Hot Springs Recreation Center through program revenue. Every effort is being taken to continue operating the childcare center full time through June while the schools are out. This will require Borrego Health to incur additional expenses, including bringing staff on full time, frequent surface cleaning, and additional purchase of personal protective equipment. Additional cost of snacks, water and other supplies is also anticipated.

Borrego Health now faces a significant financial crisis due to the Covid-19 situation. The organization has experienced a 50% decrease in medical visits and a 90% decrease in dental visits. Though we have dramatically built capacity for telehealth and teledentistry, this has not been anywhere near sufficient to offset our current operating losses.

When reviewing the financials for the Desert Hot Springs Recreation Center alone, Borrego anticipates monthly operating losses of \$50,000 per month. Based on our current situation, we expect to lose about \$200,000 between March and June 30, 2020. We request that the City evaluate our needs and consider providing financial support so we can sustain the program through this crisis.

Thank you,

Mikia Wallis  
Chief Executive Officer