

**EXECUTIVE OFFICER'S AGENDA REPORT
DECEMBER 2, 2009**

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Assistant Executive Officer

SUBJECT: MSR No. 09-05, SOI Update 2009-06: Municipal Service Review and Sphere of Influence Updates for the Del Puerto Healthcare District, Westside Community Healthcare District, and the Oak Valley Hospital District

INTRODUCTION

This proposal was initiated by the Local Agency Formation Commission in response to State mandates, which require the Commission to conduct municipal service reviews and sphere of influence updates for all cities and special districts at least once every five years. The current review covers the three healthcare/hospital districts in Stanislaus County: Del Puerto Healthcare District, Westside Community Healthcare District, and Oak Valley Hospital District. The previous updates for these districts were adopted in 2004.

All three districts were organized under the Local Hospital District Law (Health and Safety Code §32000 et. seq.) and provide services such as acute and long-term healthcare services, ambulance services, and a community hospital. The districts are considered to be “registered voter districts” as board members are elected by registered voters residing in the district boundaries.

DISCUSSION

The Municipal Service Review and Sphere of Influence Update process provides an opportunity for the Districts to share accurate and current data, accomplishments and information regarding the services they provide. LAFCO Staff sent the previously approved Municipal Service Review and Sphere of Influence document to each of the districts for their comments, revisions and updated information. Once this data was collected, a revised Municipal Service Review and Sphere of Influence Update document was drafted. During this process, Staff also created new, electronic versions of each District's Sphere of Influence on the County's Geographical Information Systems (GIS).

The proposed Municipal Service Review and Sphere of Influence document is attached to this report as Exhibit 1. The relevant factors and determinations as put forth by the Cortese-Knox-Hertzberg Act are discussed for each District. No changes are being proposed for the Districts' Spheres of Influence at this time.

ENVIRONMENTAL REVIEW RECOMMENDATIONS

The California Environmental Quality Act requires that an environmental review be undertaken and completed for the Sphere of Influence study. The Municipal Service Review and Sphere of Influence Updates qualify for a General Exemption from further CEQA review based upon CEQA Regulation §15061(b)(3), which states:

The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Since there are no land use changes or environmental impacts, as no suggested boundary changes are associated with this document, a Notice of Exemption is the appropriate environmental document.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted, the Commission should consider choosing one of the following options:

- Option 1:** APPROVE the Municipal Service Review and Sphere of Influence Updates for the Del Puerto Healthcare District, Westside Community Healthcare District, and Oak Valley Hospital District.
- Option 2:** DENY one or more of the updates.
- Option 3:** If the Commission needs more information, it should CONTINUE this matter to a future meeting (maximum 70 days).

RECOMMENDED ACTION

Approve Option 1. Based on the information presented, Staff recommends approval of Municipal Service Review and Sphere of Influence Updates for the Del Puerto Healthcare District, Westside Community Healthcare District, and Oak Valley Hospital District.. Therefore, Staff recommends that the Commission adopt Resolution Nos. 2009-25, 26, and 27, which:

1. Determine that the Municipal Service Review and Sphere of Influence Updates qualify for a General Exemption from further California Environmental Quality Act (CEQA) review based on CEQA Regulation §15061(b)(3);
2. Make determinations related to the Municipal Service Review and Sphere of Influence Updates as required by Government Code §56430 and §56425, respectively; and,
3. Determine that the Spheres of Influence for the Del Puerto Healthcare District, Westside Community Healthcare District, and Oak Valley Hospital District be affirmed as they currently exist.

Attachments:

Exhibit 1 - Municipal Service Review and Sphere of Influence Updates for the Del Puerto Healthcare District, Westside Community Healthcare District, and Oak Valley Hospital District

Exhibit 2 - Resolution No. 2009-25 (Del Puerto Healthcare District)
Resolution No. 2009-26 (Westside Community Healthcare District)
Resolution No. 2009-27 (Oak Valley Hospital District)

EXHIBIT 1:

**MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE UPDATE**

DEL PUERTO HEALTHCARE DISTRICT

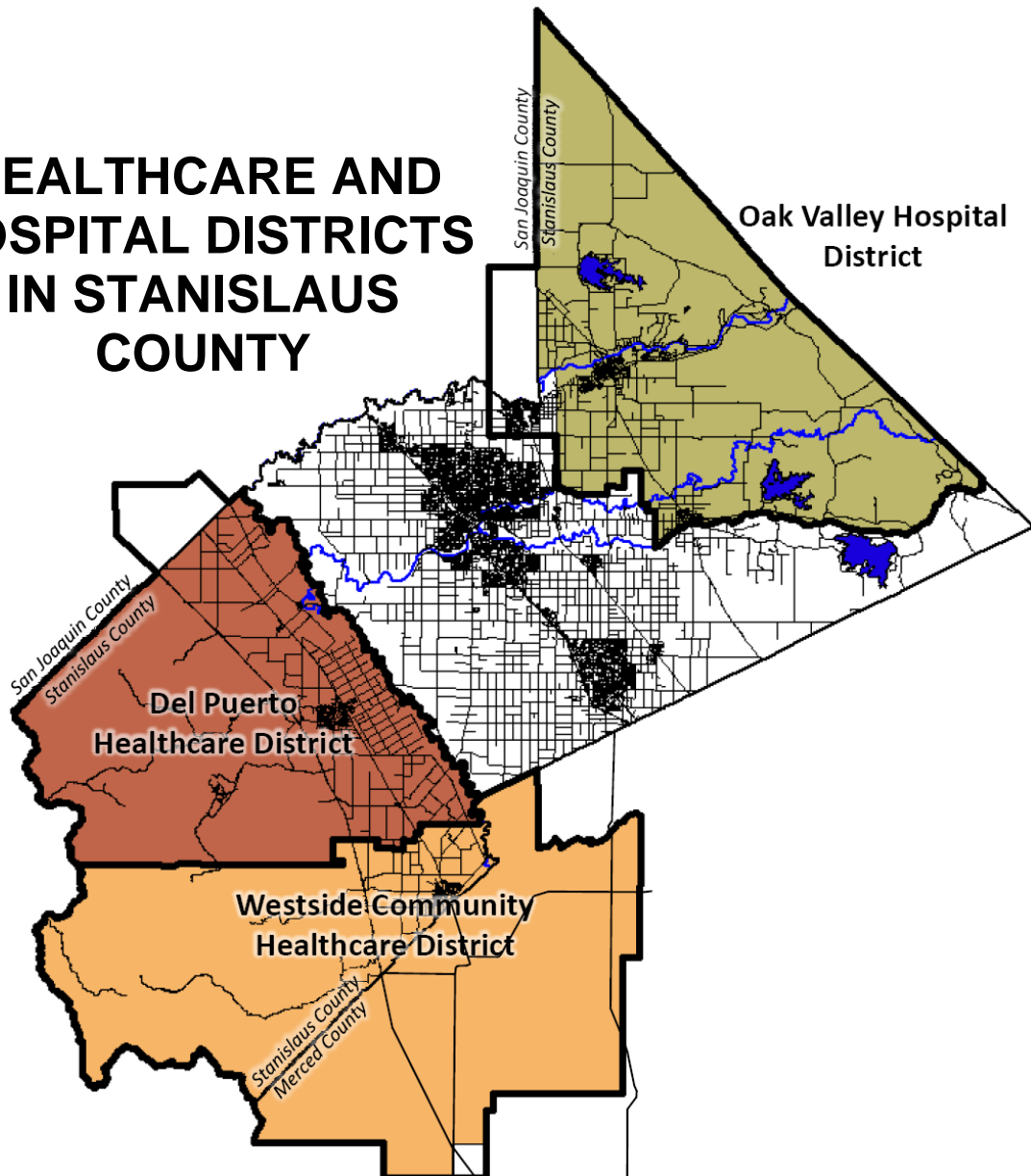
**WESTSIDE COMMUNITY HEALTHCARE
DISTRICT**

OAK VALLEY HOSPITAL DISTRICT

This page intentionally left blank.

**MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE UPDATES FOR:**

**HEALTHCARE AND
HOSPITAL DISTRICTS
IN STANISLAUS
COUNTY**



Prepared By: Stanislaus Local Agency Formation Commission
1010 Tenth Street, Third Floor
Modesto, CA 95354
Phone: (209) 525-7660

Adopted: _____, 2009

STANISLAUS

LOCAL AGENCY FORMATION COMMISSION

COMMISSIONERS

Ken Lane, Chair, City Member

Jim DeMartini, Vice Chair, County Member

Brad Hawn, City Member

William O'Brien, County Member

Tia Saletta, Public Member

Charlie Goeken, Alternate City Member

Vito Chiesa, Alternate County Member

Ron E. Freitas, Alternate Public Member

STAFF

Marjorie Blom, Executive Officer

Sara Lytle-Pinhey, Assistant Executive Officer

Dean Wright, Commission Counsel

Debbie Hamilton, Commission Clerk

TABLE OF CONTENTS

Introduction 1
Service Review Factors and Sphere of Influence Update Process 1
Background 2
Authority 2
Purpose 2
Classification of Services 2

MUNICIPAL SERVICE REVIEWS

Del Puerto Healthcare District..... 3
Formation 3
Services 3
Location and Size..... 4
Sphere of Influence 4
Governance..... 4
Personnel 4
Mission Statement..... 4
Partnership Agencies 4
Funding Sources 5
Service Review Determinations 5
Growth and Population Projections 5
Present and Planned Capacity of Public Facilities, Adequacy of Public Services 5
Financial Ability of Agencies to Provide Services 5
Status of, and Opportunities for, Shared Facilities 6
Accountability for Community Service Needs 6
Any Other Matter Related to Effective or Efficient Service Delivery 6

Westside Community Healthcare District..... 6
Formation 6
Services 6
Location and Size..... 6
Sphere of Influence 7
Governance..... 7
Personnel 7
Partnership Agencies 7
Funding Sources 7
Service Review Determinations..... 7
Growth and Population Projections 7
Present and Planned Capacity of Public Facilities, Adequacy of Public Services 8
Financial Ability of Agencies to Provide Services 8
Status of, and Opportunities for, Shared Facilities 8
Accountability for Community Service Needs 8
Any Other Matter Related to Effective or Efficient Service Delivery 8

TABLE OF CONTENTS (Cont.)

Oak Valley Hospital District.....	9
Formation	9
Services	9
Location and Size.....	9
Sphere of Influence	9
Governance.....	9
Personnel	9
Mission Statement.....	10
Partnership Agencies	10
Funding Sources	10
Service Review Determinations	10
Growth and Population Projections.....	10
Present and Planned Capacity of Public Facilities, Adequacy of Public Services	10
Financial Ability of Agencies to Provide Services	10
Status of, and Opportunities for, Shared Facilities	11
Accountability for Community Service Needs	11
Any Other Matter Related to Effective or Efficient Service Delivery.....	11

SPHERE OF INFLUENCE UPDATES

Del Puerto Healthcare District.....	12
Sphere Determinations	12
Present and Planned Land Uses	12
Present and Probable Need for Public Facilities and Services	12
Present Capacity of Public Facilities and Adequacy of Public Services.....	13
Communities of Interest in the Area.....	13
Westside Community Healthcare District.....	13
Sphere Determinations	13
Present and Planned Land Uses	13
Present and Probable Need for Public Facilities and Services	13
Present Capacity of Public Facilities and Adequacy of Public Services.....	13
Communities of Interest in the Area.....	13
Oak Valley Hospital District.....	14
Sphere Determinations	14
Present and Planned Land Uses	14
Present and Probable Need for Public Facilities and Services	14
Present Capacity of Public Facilities and Adequacy of Public Services.....	14
Communities of Interest in the Area.....	14

TABLE OF CONTENTS (Cont.)

APPENDICES

Appendix A-1: Del Puerto Healthcare District Summary Profile	15
Map 1: Del Puerto Healthcare District Boundary & SOI	16
Appendix A-2: Westside Community Healthcare District Summary Profile.....	17
Map 2: Westside Community Healthcare District Boundary & SOI.....	18
Appendix A-3: Oak Valley Hospital District Summary Profile	19
Map 3: Oak Valley Hospital District Boundary & SOI	20
Appendix B: Notice of Exemption	21
Appendix C: References/Agencies Contacted.....	22

This page is intentionally left blank.

Municipal Service Review and Sphere of Influence Updates For the Del Puerto Healthcare District, the Westside Community Healthcare District, and the Oak Valley Hospital District

Introduction

The Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 Act (CKH Act) requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence (SOI) for all applicable jurisdictions in the County. A Sphere of Influence is defined by Government Code 56076 as "...a plan for the probable physical boundary and service area of a local agency, as determined by the Commission." The Act further requires that a Municipal Service Review (MSR) be conducted prior to or, in conjunction with, the update of a Sphere of Influence (SOI).

The legislative authority for conducting Service Reviews is provided in Government Code Section 56430 of the CKH Act. The Act states, that "in order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area..." A Service Review must have written determinations that address the following factors:

Service Review Factors to be Addressed

1. Growth and Population Projections for the Affected Area
2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies
3. Financial Ability of Agencies to Provide Services
4. Status of, and Opportunities for, Shared Facilities
5. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies
6. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

State Guidelines and Commission policies encourage cooperation among a variety of stakeholders involved in the preparation of a Service Review. This Service Review will analyze the existing and future services for the Del Puerto Healthcare District, Westside Community Healthcare District and the Oak Valley Hospital District. The Service Review will also provide a basis for the Districts and LAFCO to evaluate, and if appropriate, make changes to the Sphere of Influence.

Sphere of Influence Update Process

A special district is a government agency that is required to have an adopted and updated Sphere of Influence. Section 56425(g) of the CKH Act calls for Spheres of Influence to be reviewed and updated every five years, as necessary. Stanislaus LAFCO processes the Service Review and Sphere of Influence Updates concurrently to ensure efficient use of

resources. For rural special districts, which do not have the typical municipal level services to review, this Service Review will be used to determine what type of services each district is expected to provide and the extent to which they are actually able to do so. For these special districts, the spheres will delineate the service capability and expansion capacity of the agency, if applicable.

Background

Hospital/Healthcare districts had their origins in the aftermath of World War II. American soldiers returned from the war in need of extensive medical treatment and often hospitalization. California was in the grip of an acute hospital bed shortage. Significant portions of the state had no access to necessary healthcare services.

The Legislature responded to this hospital shortage by enacting the Local Hospital District Act, which later became the Health Care District Act. The Districts were intended to provide hospital facilities in areas needing them, but where it was not economically feasible for other institutions to provide them. The Districts, have, or prior to Proposition 13 had, taxing powers, authority to issue general obligation bonds, and authority to receive federal hospital construction grants.

There are three Healthcare/Hospital Districts in Stanislaus County: 1) Del Puerto Healthcare District, located in the Patterson area; 2) Westside Community Healthcare District, located in the Newman area; and 3) Oak Valley Hospital District, located in the Oakdale area. In addition, these three Districts are among those whose service area, or sphere of influence, can be determined by where their patrons come from, as indicated by patient-origin records kept by the Districts.

Authority

The three Districts in this review were organized under the Local Hospital District Law, Health and Safety Code, Section 32000 et. seq. In addition, the Districts are considered to be a “registered voter districts”, as the board members are elected by registered voters residing within the District’s boundaries.

Purpose

Hospital/Healthcare Districts may exercise the following powers: to establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or services, including but not limited to outpatient programs, services and facilities; retirement programs; chemical dependency programs, services and facilities, or other healthcare programs, services, facilities, and activities at any location inside and outside the district for the benefit of the district and people served by the district; to acquire, maintain, and operate ambulances, or ambulance services inside and outside the district; and to establish a nurses’ training school, or child care facility for the benefit of employees of the hospital or residents of the district (Health and Safety Code Section 32121).

Classification of Services

As part of this service review, the Districts have provided a listing of the services provided within their boundaries. The Districts are authorized to provide the functions or classes of services (e.g. community hospital with acute care, skilled nursing, and ambulance services) as identified in this report. Due to recent changes in the Cortese-Knox-Hertzberg Act, the Districts would have to seek LAFCO approval to exercise other latent powers not currently provided.

Service Review – Del Puerto Healthcare District

Formation

The Del Puerto Healthcare District was formed on July 1, 1946.

Services

The District provided hospital services until 1998 when, for economic reasons, the hospital was forced to close. The District has maintained ambulance services since 1986, paid all outstanding debts, and as of June of 2003, provides outpatient care through the Del Puerto Health Center. Current services and programs include the following:

- The Patterson District Ambulance provides emergency medical services within the District. Ambulances are staffed with Paramedics and EMTs. Currently, one 24-hour and one 12-hour ambulance serve the District, as well as provide mutual aid to surrounding areas. As a service to area hospitals, the District offers long distance and critical care transports, which allow the Patterson Ambulance to assist with the overcrowded system. The District is able to provide 18 trips per week without straining resources.
- Del Puerto Health Center provides 6-day a week urgent/primary care to west Stanislaus County. The Center is open Monday through Friday 8:30 a.m. - 8:30 p.m. and Saturday 8:30 a.m. - 4:30 p.m. Services include primary care, women's health exams, obstetrics, family care, industrial medicine, drug screenings, physicals, workers compensation care, urgent care, etc. Specialized pediatric care is provided Monday through Friday 8 a.m. - 5 p.m. Other visiting specialists include cardiologists and neurologists. The Center also provides lab and X-ray services.
- The District promotes community education and outreach efforts, including but not limited to the following: providing nursing and paramedic scholarships; public service/education on topics such as: seatbelt safety, safe fireworks, stroke information, etc; as well as attends community events (e.g. Patterson Apricot Festival and Health Fairs). The District also sponsors Project FIITNESS (Fostering Individual Improvement Through Nutrition Exercise Student Specialists), a club for middle school students to prevent diabetes. Other sponsorships or collaborations include women's health events held twice a year (for breast exams, pap exams, and cholesterol screenings), and a heart healthy screening program in the spring. The District is currently applying for a comprehensive perinatal services program.
- The Patterson Ambulance staff provides CPR and first aid classes. This low cost service targets individuals, businesses, and those whose job requires certification. Five employees are trained to teach.
- The District is designated as a teaching facility. Staff training is not only provided, but periodically, the District partners with the Patterson Fire District and Westside Ambulance to provide mutual training and has hosted EMS Agency training. Senior paramedics precept paramedic and EMT interns. The District assists with the emergency medical system by training approximately 8 Paramedics a year and providing paramedic scholarships to District EMTs.
- Patterson Ambulance provides fire-standby for local and state fire agencies, and standby for sporting and other local events.

Location and Size

The District boundaries are comprised of approximately 233,974 acres, serving a significant portion of western Stanislaus County. While not heavily populated, the District covers from Highway 132 south to Crows Landing, the river to the east and the county line in the hills above Interstate 5 to the west. The District serves the City of Patterson, as well as the unincorporated communities of Crows Landing, Grayson, and Westley. The District also serves the resort community of Diablo Grande, located in the western foothills of Stanislaus County, west of Interstate 5 and approximately 10 miles southwest of the City of Patterson. The District's administrative office is located at: 875 "E" Street, Patterson, California.

Sphere of Influence

The District's Sphere of Influence (SOI) encompasses approximately 249,038 acres, and is not coterminous with its boundaries (see boundary map, page 16). The area includes the City of Patterson, along with the unincorporated communities of Crows Landing, Grayson, Westley, and Diablo Grande.

The District's SOI also includes an expansion area (approximately 15,000 acres) located in San Joaquin County. The expansion area was included in the SOI because the District also draws patients from the Vernalis area in San Joaquin County, which, although not within the District's boundaries, is closer to Patterson than the healthcare services available in the Tracy area. It should be noted that the District's SOI does not limit its service area, as the District also receives patients from areas outside this boundary, including the cities of Newman, Gustine, Modesto, Ceres, Turlock, and from as far as Tracy and Stockton.

Governance

A five member Board of Directors governs the District. Meetings are held on the fourth Tuesday of every month at 7:00 p.m. in the District's Hospital Administration Building Conference Room located at: 875 "E" Street, Patterson, California. All meetings are open to the public.

Personnel

The District employs approximately 80 persons: 40 full-time and 40 part-time. In addition, due to the small size of the District most support services are outsourced. They include accounting, biomedical, housekeeping and preventative maintenance. Legal services and annual audit professionals are used. From time to time consultant groups are used for feasibility studies.

Mission Statement

"The District's primary mission is to provide the highest quality healthcare services through Patterson Ambulance and the Del Puerto Health Center, while expanding the healthcare availability to the citizens of the Del Puerto Healthcare District."

Partnership Agencies

The District maintains positive and collaborative relationships with local, state and federal agencies, such as: the City of Patterson, the unincorporated communities of Crows Landing, Grayson and Westley, Stanislaus County, local area hospitals, and the Patterson-Westley Chamber of Commerce. The District also maintains a strong working relationship with the Westside Community Healthcare District (Westside Ambulance), West Stanislaus Fire

Protection District, the State Department of Health Services, Mountain Valley Emergency Services, California Ambulance Association, California Special Districts Association, and Association of California Healthcare Districts.

Additionally, in 2007, the Westside Healthcare Advisory Taskforce was formed, a public/private/non-profit consortium of interested healthcare proponents on the Westside of Stanislaus County and Merced County. The mission of the Healthcare Advisory is to foster a richer communication between Westside healthcare providers and communities, and by doing so, better identify service gaps and potential opportunities to improve.

Funding Sources

The District's source of revenue is derived from the following: a share of the County property tax revenues, health center revenues, ambulance service fees, developer/mitigation fees collected from new development, and interest.

Service Review Determinations

The following provides an analysis of the six categories or components required by Section 56430 for a Service Review for the Del Puerto Healthcare District:

1. Growth and Population Projections for the Affected Area

According to the District's Impact Fee Study, the estimated total service population for was 22,189 persons in 2005. The study projects a total service population of 55,511 in 2020. This estimate was made utilizing a combination of data including, current population and employment data, Stanislaus Council of Government's projections, and information regarding approved developments, including those in the City of Patterson, that have not yet been built-out (e.g. Villages of Patterson). While there are other communities within the District (Westley, Grayson, and Vernalis), it is unlikely that there will be major growth in these communities in the near future. Last year, the District responded to over 1,500 ambulance calls (an average of 125 calls per month) and served approximately 6,500 established patients and 26,000 visits at their Health Center. New development will continue to generate additional demand for healthcare services.

2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies

The District created a Strategic Plan which covers all aspects of future medical care needs for the Westside. In 2008, it was determined that the Health Center is out of room and that instead of expanding to an additional space, the District plans to purchase or construct a building to house specialists, additional providers, and ancillary services. The District Board has chosen a location and is working towards the creation of a new health center.

The District owns and maintains four ambulances and all equipment necessary to place the ambulances in service. The District also owns all equipment necessary to provide services to the Health Center.

3. Financial Ability of Agencies to Provide Services

Overall, the District appears to be in good financial shape, and has in place the necessary financial mechanisms to continue serving existing and future residents. There is no

overlapping or duplication of services within the District boundaries. The District uses surveys and billing company input to establish rates. Future rate changes are expected to be minimal; however, the District was successful in obtaining a Rural Health designation in 2004, which allows the Health Center to receive a cost-based reimbursement from the government for MediCal and Medicare patients. The District also collects mitigation fees, based on the aforementioned Impact Fee Study, from new developments and continues to collect fees on projects already approved and under fee agreements with the District.

4. Status of, and Opportunities for, Shared Facilities

In the spirit of cooperation, the District shares facilities and/or equipment with agencies and organizations within the area, when opportunities arise. For example, the District allows access to their quarters when the Westside Ambulance posts for the District. Since the West Stanislaus Fire Protection District assists with medical aids, their supplies and oxygen are restocked. From time to time joint education or meeting space is provided. Through a joint grant, space, equipment and supplies for diabetes education and screening is provided.

5. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

A five member Board of Directors governs the District. Registered voters within a geographical area or “Division”, elect the board members. The Board conforms to the provisions of the Brown Act requiring open meetings. It is reasonable to conclude that the District has the organizational capability to adequately serve the areas under its jurisdiction. The District has the necessary resources and staffing levels to operate in a cost-efficient and professional manner.

6. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

None.

Service Review – Westside Community Healthcare District

Formation

The Westside Community Healthcare District was formed on November 18, 1957.

Services

Currently, the District provides ambulance services within its service area boundaries. The District originally operated a 22-bed hospital facility from 1938, to its closure in 1993. The closure was a result of low utilization and declining reimbursements. The District does, however, continue to own and maintain the former hospital building and grounds, which houses the ambulance fleet and staff.

Location and Size

The boundaries of the District are comprised of approximately 233,974 acres. The District serves areas in and around the City of Newman and the City of Gustine (in Merced County).

The District office is located in Merced County at 151 S. Highway 33, Newman, California.

Sphere of Influence

The District's Sphere of Influence (SOI) is coterminous with its current boundaries, with the exception of approximately 2,500 acres in the Santa Nella area in Merced County (see boundary map, page 18). The cities of Newman and Gustine and the unincorporated community of Stevinson (in Merced County) are located within the District's boundaries and Sphere of Influence.

Governance

A five member Board of Directors governs the District. Registered voters within a geographical area or "zone", elect the board members. Directors from Zones 1 and 2 are representatives from and elected in Stanislaus County, whereas Directors from Zones 3, 4 and 5 are representatives from and elected in Merced County. Meetings are held the fourth Tuesday of every month at 7:00 p.m. in the District's office, located at: 151 S. Highway 33, Newman, CA.

Personnel

The District employs approximately 39 persons: 12 full-time and 27 part-time. In addition, the District also contracts with outside consultants for ambulance billings/collections, accounting and legal services.

Partnership Agencies

The District maintains positive and collaborative relationships with local, state and federal agencies, such as: the Cities of Newman and Gustine, Stanislaus and Merced counties, California Highway Patrol, Gustine and Newman Fire Departments, West Stanislaus Fire Protection District, and local area hospitals (e.g., Doctors, Emanuel, Memorial, and Los Banos). The District also works with Riggs Ambulance Service, as well as bordering service providers via mutual-aid agreements.

Additionally, in 2007, the Westside Healthcare Advisory Taskforce was formed, a public/private/non-profit consortium of interested healthcare proponents on the Westside of Stanislaus County and Merced County. The mission of the Healthcare Advisory is to foster a richer communication between Westside healthcare providers and communities, and by doing so, better identify service gaps and potential opportunities to improve.

Funding Sources

The District's source of revenue is derived from the following: County property tax assessments (Stanislaus and Merced), special assessments, ambulance service fees, and building rents.

Service Review Determinations

The following provides an analysis of the six categories or components required by Section 56430 for a Service Review for the Westside Community Healthcare District:

1. Growth and Population Projections for the Affected Area

According to the 2000 Census and 2008 Population Estimates, over 17,263 persons live

within the District's boundary. Last year, the District responded to 1,979 ambulance calls, averaging 165 calls per month. This is an increase of approximately 20 calls per month from the previous update done in 2004. Although significant growth is not projected in the unincorporated areas of Merced and Stanislaus County, growth potential exists in the cities of Newman and Gustine. As new development occurs, additional demand for ambulance services is generated.

2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies

At the present time, the District has both the ability and the capacity to serve its service area, and has no unmet infrastructure needs or deficiencies. The District has adequate staff and equipment to provide efficient and effective services to its residents. The District's equipment, vehicles and facilities appear to be sufficient and well maintained.

3. Financial Ability of Agencies to Provide Services

The District has found that it has to subsidize the operation of the ambulance service, with the revenue received from property and special assessment taxes, as the medical billing/reimbursement rates do not cover the full expenses. There is no overlapping or duplication of services within the District boundaries. It is noted that the District participates in a variety of joint agency practices, which maximize cost avoidance opportunities such as the District's contract agreement with Riggs Ambulance Service and the Association of California Healthcare Districts (ACHD) for insurance related services.

Rates and fees are established during the District's annual budget review process. The District has authority to collect a special assessment tax, on a per parcel basis, of up to \$40 per year. Currently, the District receives approximately \$30 per parcel per year and may consider an increase in order to keep up with increased costs, such as workers compensation insurance, reduction in insurance reimbursements, inability to collect from private parties, new equipment, and building maintenance.

4. Status of, and Opportunities for, Shared Facilities

The District does not share facilities with other Districts.

5. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

A five member Board of Directors governs the District. Registered voters within a geographical area or "Division", elect the board members. The Board conforms to the provisions of the Brown Act requiring open meetings. It is reasonable to conclude that the District has the organizational capability to adequately serve the areas under its jurisdiction. The District has a small, yet adequate staff, which it supplements with professional consultants to complement the District staff and improve productivity.

6. Any other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

None.

Service Review – Oak Valley Hospital District

Formation

The Oak Valley Hospital District was formed on June 18, 1968 as a not-for-profit, acute care, hospital.

Services

In 1973, the District constructed the Oak Valley Hospital, in order to provide area residents with access to convenient health care services. The District is licensed to operate and maintain a General Acute Care Hospital, which includes 35 acute care hospital beds, and other services such as: 24-hour basic emergency care, outpatient (prenatal/women's clinic and occupational health), respiratory care services, as well as a state of the art clinical laboratory and diagnostic imaging services. The District also operates the 115-bed Oak Valley Care Center, a skilled nursing facility. Emergency Medical Technicians (EMT's) are on call 24-hours a day to serve the surrounding communities utilizing the Oak Valley and Escalon Community Ambulance services. In addition, the District operates rural health clinics located in Oakdale and Riverbank. The District received a State grant for an additional rural health clinic in Escalon, which opened in December 2004.

Location and Size

The District boundaries are comprised of approximately 253,348 acres. The District serves the northern portion of Stanislaus County, which includes the cities of Oakdale, Riverbank, and Waterford; and the unincorporated communities of Knights Ferry and Valley Home. The District also provides services to areas in southeast San Joaquin County including areas in and around the City of Escalon. The District's hospital and administrative offices are located at 350 South Oak Avenue, Oakdale, CA 95361.

Sphere of Influence

The District's Sphere of Influence (SOI) is not coterminous with its current boundaries (see boundary map, page 20). The cities of Oakdale, Riverbank, and Waterford, along with the unincorporated communities of Knights Ferry and Valley Home are located within the District's Sphere of Influence boundary. The SOI also includes an area in and around the City of Escalon.

Governance

A five member Board of Directors governs the District. Meetings are held on the fourth Wednesday of every month at 5:30 p.m. in the District's Hospital Administration Building Conference Room located at 350 South Oak Avenue, Oakdale, CA 95361. All meetings are open to the public. The District also has established a website (www.oakvalleycares.org) that is user-friendly and provides information such as programs and services, physicians' directory, annual reports, and visiting hours.

Personnel

The District employs 313 full-time, 61 part-time, and 121 per diem employees.

Mission Statement

“Oak Valley Hospital District is committed to providing our communities with quality healthcare services with compassion, pride and excellence.”

Partnership Agencies

The District maintains positive and collaborative relationships with local, state and federal agencies, such as: the cities of Oakdale, Riverbank, Waterford, and Escalon, Stanislaus and San Joaquin counties, Oakdale Rural Fire Protection District, Oak Valley Hospital Foundation, Family Support Network, Valley Mountain Emergency Services, Catholic Healthcare West, local area hospitals, UC Davis, Children’s Medical Hospital, Fresno, Hospital Council of Northern and Central California, California Department of Health Services, California Children and Families Commission, Office of Statewide Health & Planning, and the Center for Medicare and Medicaid Services (CMS).

Funding Sources

The District’s source of revenue is derived from the following: reimbursements from Medicare, Medi-Cal, Self-Pay, PPO, Private Insurance, Oak Valley Hospital Foundation, charity/trusts, grants (First Five Program). The District does not receive a share of the County property tax revenues.

Service Review Determinations:

The following provides an analysis of the six categories or components required by Section 56430 for a Service Review for the Oak Valley Hospital District:

1. Growth and Population Projections for the Affected Area

According to the District, approximately 78,012 persons live within the District’s boundary and sphere of influence. Last year, the District admitted 1,572 patients to its hospital and 285 patients to the Care Center. As a result of growth and population increases, the District has outgrown its current facility, which was built in 1973. Therefore, the District is embarking on an expansion project to meet the local healthcare needs for the next 30 years.

2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies

The District is currently embarking on a \$69 million expansion to the Oak Valley Hospital in order to meet local demand for community healthcare services, as well as new state seismic standards for hospitals. The new hospital building will consist of 123,000 square feet and include a 12-space emergency room, two operating rooms, five post-anesthesia beds, two GI procedure rooms, seven outpatient surgical prep and recovery rooms, CT and MRI imaging, and a laboratory. The current hospital building will retain its 35 beds and be connected by corridors to the new building. The District expects the project to be complete by summer 2011.

3. Financial Ability of Agencies to Provide Services

The District adopts an annual budget, which is used as the spending plan for the District.

The Budget provides a framework for the District to address budgetary issues such as: revenues, expenditures, reserves, fiscal management, investments, capital improvements, and rates and fees.

As indicated previously, the District is currently embarking on a major expansion project for its present hospital facility. As a result, the District has a program in place for financing the \$69 million hospital expansion project via several sources including hospital reserves, revenue bond financing, and donations.

There is no overlapping or duplication of services within the District boundaries. It is noted that the District participates in a variety of joint agency practices, which maximize cost avoidance opportunities such as the District's Management Agreement with Catholic Healthcare West, and the BETA Healthcare Group for Risk Management services.

Rates and fees for services provided by the District are governed by the amount the District can charge for services rendered. The District charges all patients equally based on its established pricing structure. The rates and fees are established during the District's annual budget review process. Pricing increases are an integral component of the annual budget, which factor in increased costs, such as workers compensation insurance, reduction in federal (Medicare, Medicaid) insurance reimbursements, higher staff costs (e.g. increased salaries for temporary nurses), new equipment, building and facility maintenance and capital improvements. Also factored into the budget are reimbursements from insurance programs, such as HMOs, PPOs, Medicare and Medicaid. The amounts of reimbursements are based upon contractual agreements and government obligations.

The District's annual budget process is designed to screen out unnecessary costs and is submitted to the Board of Directors for review and approval. Overall, the District appears to be in good financial shape, and has in place the necessary financial mechanisms to continue serving existing and future residents.

4. Status of, and Opportunities for, Shared Facilities

In the spirit of cooperation, the District shares its conference facilities with agencies and organizations within the area, including, but not limited to the City of Oakdale, Family Support Network, and the State Women, Infant & Children (WIC) Program.

5. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

A five-member Board of Directors, elected by registered voters, governs the District. The Board conforms to the provisions of the Brown Act requiring open meetings. The District also has established a website (www.oakvalleycares.org) which is user-friendly and provides information such as: programs and services offered, visiting hours, and yearly reports. The District has the necessary resources and staffing levels to operate in a cost-efficient and professional manner. It is reasonable to conclude that the District has the organizational capability to adequately serve the areas under its jurisdiction.

6. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

None.

Sphere of Influence Updates for the Del Puerto Healthcare District, Westside Community Healthcare District, and Oak Valley Hospital District

In determining the Sphere of Influence (SOI) of each local agency, the Commission shall consider and prepare determinations with respect to each of the following factors:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides, or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines they are relevant to the agency.

This document proposes no changes to the Districts' existing spheres of influence. Rather, it serves to reaffirm the existing SOI boundaries. As part of this process, Staff researched the history of the establishment of each District's SOI. Previous approvals of the SOIs included maps that were outdated and/or hand-drawn. These have since been converted to electronic format along with the current District boundary maps, which are attached to this document.

SOI Update – Del Puerto Healthcare District

The following determinations for the Del Puerto Healthcare District Sphere of Influence update and are made in conformance with Government Code Section 56425 and local Commission policy.

Determinations:

1. Present and Planned Land Uses

The present and planned land uses within the District's Sphere of Influence (SOI) consist of agricultural, rural residential, suburban and urban areas. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries and SOI. The responsibility for land use decisions within the District boundaries is retained by the City of Patterson, Stanislaus County, and San Joaquin County.

2. Present and Probable Need for Public Facilities and Services in the Area

The present and probable need for public healthcare facilities and services in the area is not likely to diminish. On an annual basis, the District draws thousands of patrons seeking localized healthcare services. For 2003, the District served 3,200 patients seeking health care services. In 2008, the number increased to approximately 26,000 patient visits. The number of ambulance calls has increased by approximately 200 calls per year over the same period.

Portions of patients travel from all communities on the Westside (including Patterson, Newman, and Gustine) as well as the Modesto, Ceres, and Turlock areas. The District also receives a portion of patients from as far as Tracy and Stockton.

3. Present Capacity of Public Facilities and Adequacy of Public Services Provided

Given the increased demand for healthcare services, the District's Health Center has outgrown its current location and it is anticipated to relocate in 2010. The District has negotiated to purchase a 30,000 square foot building, which would allow for the Health Center to more than double in size, providing more space for procedures, stress and echo testing, colo-rectal screenings, and additional space for specialists and family physicians.

4. Communities of Interest in the Area

The following jurisdictions can be categorized as Communities of Interest in the area: the City of Patterson, as well as the unincorporated communities of Crows Landing, Grayson, Westley, Diablo Grande, and the Vernalis area (in San Joaquin County). Although outside the Districts' current boundary and SOI, the cities of Newman and Gustine can also be considered communities of interest, as the District receives patients from these areas as well.

SOI Update – Westside Community Healthcare District

The following determinations for the Westside Community Healthcare District's Sphere of Influence update are made in conformance with Government Code Section 56425 and local Commission policy.

Determinations:

1. Present and Planned Land Uses

The present and planned land uses within the District's Sphere of Influence (SOI) consist of agricultural, rural residential, and suburban areas. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries and SOI. The responsibility for land use decisions within these areas is retained by the City of Newman, Stanislaus County, the City of Gustine, and Merced County.

2. Present and Probable Need for Public Facilities and Services in the Area

The present and probable need for ambulance services in the area is not likely to diminish.

3. Present Capacity of Public Facilities and Adequacy of Public Services Provided

The District currently has adequate capacity to provide ambulance services within its existing sphere of influence.

4. Communities of Interest in the Area

The following jurisdictions can be categorized as Communities of Interest in the area: the

City of Newman, the City of Gustine, and the unincorporated community of Stevinson (Merced County).

SOI Update – Oak Valley Hospital District

The following determinations for the Oak Valley Hospital District Sphere of Influence update and are made in conformance with Government Code §56425 and Commission policy.

Determinations:

1. Present and Planned Land Uses in the Area

The present and planned land uses within the District's Sphere of Influence (SOI) consist of agricultural, rural residential, suburban and urban areas. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries and SOI. The responsibility for land use decisions within these areas is retained by the cities of Oakdale, Riverbank, Waterford and Escalon; and Stanislaus and San Joaquin counties.

2. Present and Probable Need for Public Facilities and Services in the Area

The present and probable need for public healthcare facilities and services in the area are not likely to diminish. On an annual basis, the Oak Valley Hospital District draws thousands of patrons seeking localized healthcare services. Realizing that the need for community-based healthcare services will continue, the District has adopted a Master Plan, which includes expansion of hospital facilities and services within the District's Sphere of Influence. This expansion is expected to meet the local healthcare needs for the next 30 years.

3. Present Capacity of Public Facilities and Adequacy of Public Services Provided

The District has outgrown its current facility, which was built in 1973, and therefore, is undergoing a \$69 million expansion to be completed in the summer of 2011. In addition, the new hospital facility will be constructed to meet the 2030 California seismic code. Financing for the expansion will come from a variety of sources including hospital reserves, revenue bond financing, and donations.

With regards to adequacy of public services provided, the District continually strives to implement new procedures to measure service levels, invests in information technology that gives physicians and other caregivers more timely access to data needed to provide effective care to patients, and completed a consumer preference survey and developed action plans to address areas of concern. The District states that it is committed to providing its communities with quality health care services with compassion, pride and excellence.

4. Communities of Interest in the Area

The following jurisdictions can be categorized as Communities of Interest in the area: the cities of Oakdale, Riverbank, Waterford, and Escalon (San Joaquin County), as well as the unincorporated communities of Knights Ferry and Valley Home.

**APPENDIX “A-1”
DISTRICT SUMMARY PROFILE**

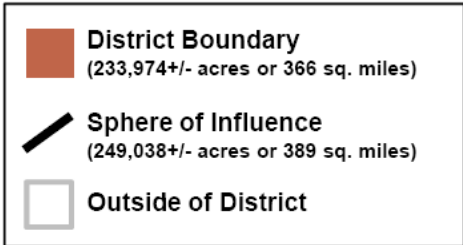
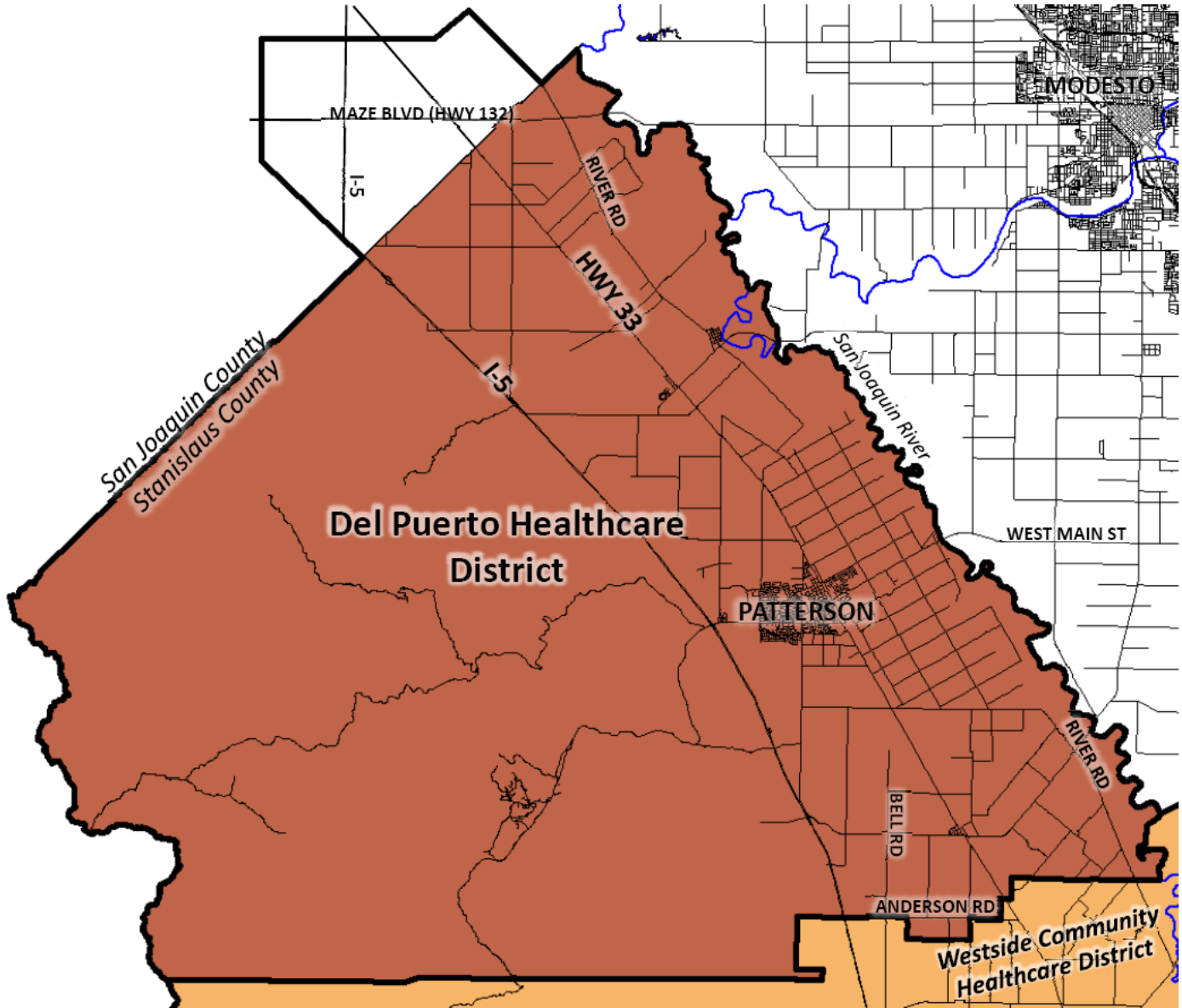


DEL PUERTO HEALTHCARE DISTRICT

Formation:	July 1, 1946
Services:	Ambulance services, operation of a health center, education, and free community health outreach
District Boundary:	Approximately 233,974 acres, located west of the San Joaquin River, including the City of Patterson, the unincorporated communities of Crows Landing, Grayson, and Westley, as well as the Diablo Grande area.
Sphere of Influence:	Includes approximately 15,000 acres, extending out to the Vernalis area in San Joaquin County.
Population*:	22,189 (total service population estimate for 2005)
Land Use:	Agricultural, Rural Residential, Suburban and Urban
Enabling Act:	Local Hospital District Law, California Health and Safety Code, Section 32000 et. seq.
Governing Body:	5 Member Board of Directors, elected by registered voters within the District boundaries
Administration:	80 Employees: 40 full-time and 40 part-time.
Total Revenues:	\$5,206,834 (Fiscal Year 2007-08)
Revenue Sources:	Share of County property taxes, service fees, developer/mitigation fees, and interest.

** Source: Del Puerto Healthcare District Impact Fee Study, Sept. 2006*

**MAP 1:
DEL PUERTO HEALTHCARE DISTRICT
BOUNDARIES AND SPHERE OF INFLUENCE**



Source: LAFCO Files, County GIS, Sept. 2009

**APPENDIX “A-2”
DISTRICT SUMMARY PROFILE**

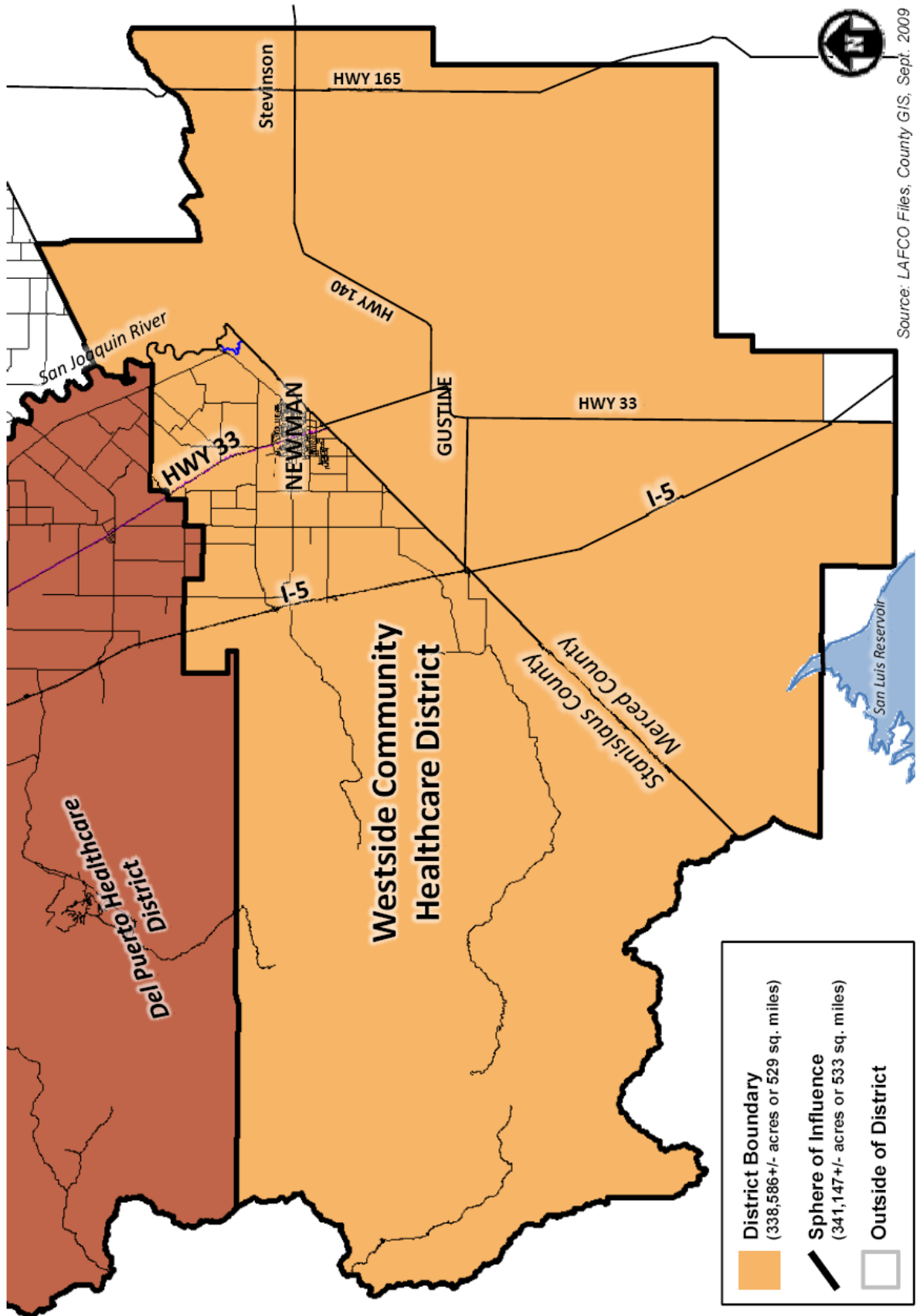
WESTSIDE COMMUNITY HEALTHCARE DISTRICT

Formation:	November 18, 1957
Services:	Ambulance services
District Boundary:	Approximately 338,586 acres including the western portion of Stanislaus County in and around the City of Newman, south of and adjacent to the Del Puerto Healthcare District. The District boundary also overlaps into Merced County, including the City of Gustine and the unincorporated community of Stevinson.
Sphere of Influence:	Coterminous with the District’s current boundary, with the exception of approximately 2,500 acres in the Santa Nella area of Merced County.
Population*:	17,263+
Land Use:	Rural, Suburban and Urban
Enabling Act:	Local Hospital District Law, California Health and Safety Code, Section 32000 et. seq.
Governing Body:	5 Member Board of Directors, elected by registered voters within the District boundaries
Administration:	39 Employees: 12 full-time and 27 part-time
Total Revenues:	\$1,497,267 (Fiscal Year 2008-09)
Revenue Sources:	Property tax assessments, ambulance service fees



** Source: 2000 Census and 2008 Population Estimates*

**MAP 2:
WESTSIDE COMMUNITY HEALTHCARE DISTRICT
BOUNDARIES AND SPHERE OF INFLUENCE**



Source: LAFCO Files, County GIS, Sept. 2009

**APPENDIX “A-3”
DISTRICT SUMMARY PROFILE**

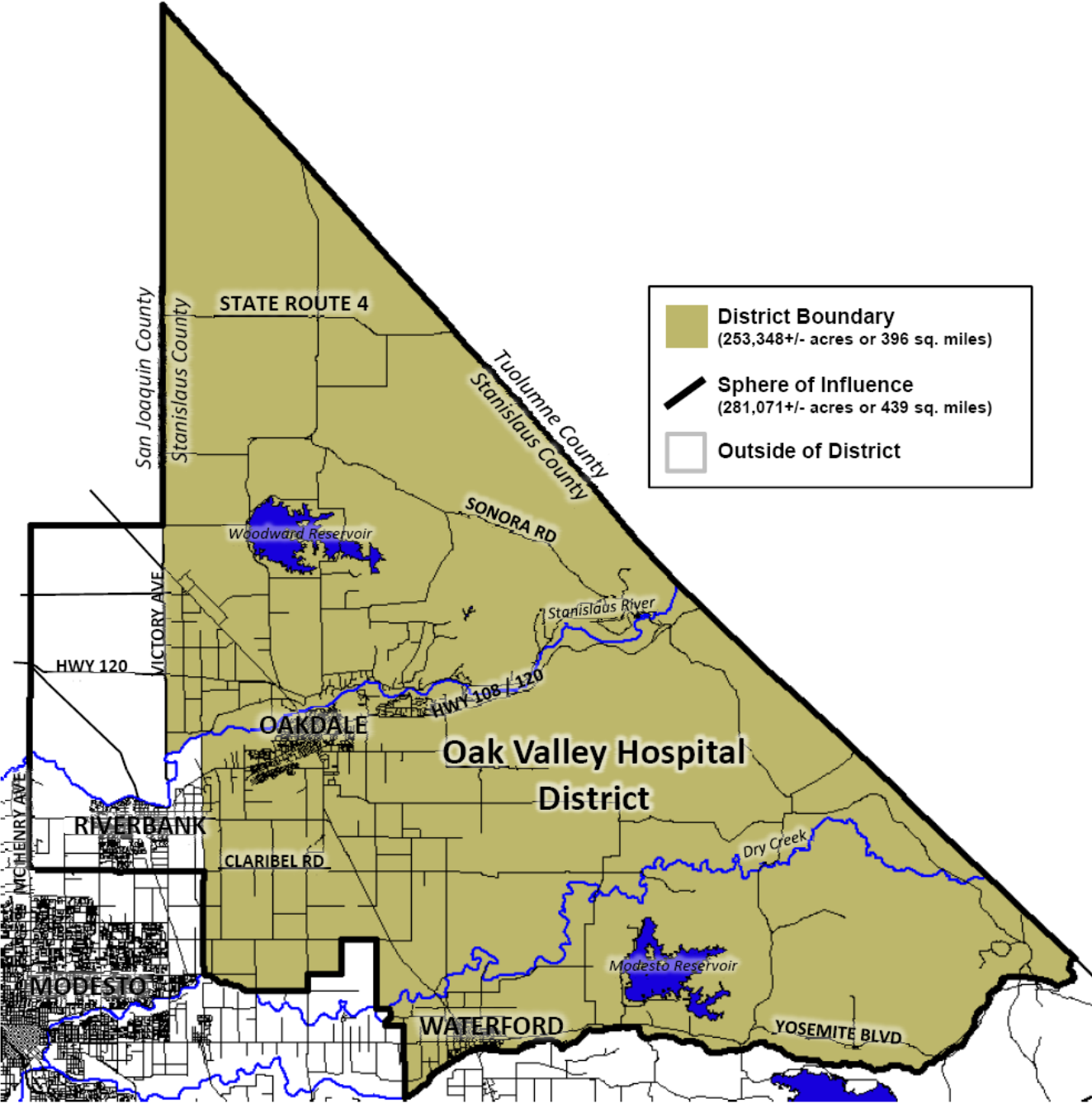


OAK VALLEY HOSPITAL DISTRICT

Formation:	June 18, 1958
Services:	Operation of a general acute care community hospital, skilled nursing facility, ambulance services, and rural health clinics
District Boundary:	Approximately 253,348 acres, located in the northern portion of Stanislaus County, including the cities of Oakdale, Riverbank, and Waterford; and the unincorporated communities of Knights Ferry and Valley Home.
Sphere of Influence:	Extends into southeast San Joaquin County nearly 28,000 acres, including areas in and around the City of Escalon.
Population*:	78,012 (total service population estimate for 2008)
Land Use:	Rural, suburban, and urban
Enabling Act:	California Health and Safety Code: Hospital Districts, Sections 32000 to 32490.9.
Governing Body:	Five Member Board of Directors, elected by the registered voters within the District
Administration:	495 Employees: 313 full-time, 61 part-time, and 121 per diem.
Total Revenues:	\$62,794,000 (Fiscal year 2009-2010)
Revenue Sources:	Insurance Programs (Self-Pay, PPO, Private Insurance, Workers Compensation), Medicare, Medi-Cal, charity/foundations, and various grants.

**Source: Correspondence with the Oak Valley Hospital District, 2009*

MAP 3: OAK VALLEY HOSPITAL DISTRICT BOUNDARIES AND SPHERE OF INFLUENCE



Source: LAFCO Files, County GIS, Sept. 2009



APPENDIX "B"
NOTICE OF EXEMPTION

TO: Lee Lundrigan – County Clerk-Recorder
1021 "I" Street
Modesto, CA 95354

FROM: Stanislaus LAFCO
1010 Tenth Street, 3rd Floor
Modesto, CA 95354
(209) 525-7660

Title: Municipal Service Review (MSR) and Sphere of Influence (SOI) Updates for the Del Puerto Healthcare District, Westside Community Healthcare District, and Oak Valley Hospital District

Description: The Stanislaus Local Agency Formation Commission has prepared a Municipal Service Review (MSR) and Sphere of Influence (SOI) Updates for the Del Puerto Healthcare District, Westside Community Healthcare District, and Oak Valley Hospital District. The Districts are legally authorized to provide ambulance and/or health care services, and as special districts, they are required to have an adopted and updated SOI. The Cortese-Knox-Hertzberg Act of 2000 calls for the Service Review to be completed prior to or concurrent with the SOI Update. The Service Review evaluates the public services provided by the Districts and provides the information base for updating the Districts' Spheres of Influence. It is recommended that the SOI boundaries for the Districts reviewed remain unchanged.

Public Agency Approving Project: The Stanislaus Local Agency Formation Commission (LAFCO). The date of the LAFCO hearing on this proposal is scheduled for December 2, 2009
Contact Person: Sara Lytle-Pinhey, Assistant Executive Officer, (209) 525-7660.

Environmental Determination: The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). In this case it has been determined that this project is exempt from CEQA pursuant to Section 15061 (b)(3) of the State Guidelines. The Stanislaus Local Agency Formation Commission will file this Notice of Exemption upon approval of the MSR and SOI Updates for the Districts.

Reasons for Exemption: It has been determined with certainty that there is no possibility that the project may have a significant effect on the environment and therefore it is found to be exempt from CEQA pursuant to Section 15061(b)(3) of the State Guidelines. The proposed Sphere of Influence Update and Municipal Services Review does not involve, authorize or permit the siting or construction of any facilities associated with either District. No change to the Sphere of Influence of either District is recommended.

Signature: *Sara Lytle-Pinhey*

Date: 10/28/09

Name & Title: Sara Lytle-Pinhey
Assistant Executive Officer

APPENDIX “C”

REFERENCES

1. “Audited Financial Statements - Del Puerto Health Care District”, TCA Partners, LLP, June 30, 2008.
2. “Del Puerto Health Care District Impact Fee Study”, Vernazza Wolfe Associates, Inc. with Brion & Associates, September 2006.
3. “California’s Closed Hospitals 1995-2000”, Petris Center, UC Berkeley School of Public Health, Revised Edition April 2001.
4. “Special Districts Annual Report”, California State Controllers Office, October 30, 2008.
5. “Stanislaus County Community Health Assessment - 2008”, Applied Survey Research and SCHSA (<http://www.healthierstanislaus.org/download.htm>).
6. “Strategic Planning 2009”, Westside Healthcare Advisory Taskforce, 2009 (www.westvalleyhealth.org).
7. California Special Districts Association (www.csda.net).
8. Association of California Healthcare Districts (www.achd.org).
9. Oak Valley Community Report, 2003.
10. Oak Valley Hospital District (www.oakvalleycares.org).
11. Catholic Healthcare West (www.chwhealth.com).
12. Centers for Medicare & Medicaid Services (www.cms.hhs.gov).
13. California Healthcare Association (www.calhealth.org).
14. California Children and Families Commission (website: www.cafc.ca.gov).
15. California Rural Health Policy Council (www.ruralhealth.ca.gov).
16. California Health Care Foundation (www.chcf.org).
17. American Hospital Association (www.hospitalconnect.com).
18. Association of California Healthcare Districts (www.achd.org).
19. Hospital Council of Northern and Central California (www.hcncc.org).
20. BETA Healthcare Group (www.betahg.com).
21. Riggs Ambulance Services (www.riggsambulance.com).
22. State Attorney General’s Office (www.caag.state.ca.us/newsalerts/2001).
23. Previous MSR/SOI Update for the Del Puerto and Westside Healthcare Districts, Adopted October 27, 2004.
24. Previous MSR/SOI Update for the Oak Valley Hospital District, Adopted June 23, 2004.

INDIVIDUALS AND AGENCIES CONTACTED

1. Margo Arnold, Administrator, Del Puerto Healthcare District.
2. Yumi Edwards, Administrative Assistant, Del Puerto Healthcare District
3. John Friel, Chief Executive Officer, Oak Valley Hospital District.
4. Thomas Homen, Facility Manager, Westside Community Healthcare District.

EXHIBIT 2:

**LAFCO RESOLUTION NO. 2009-25
DEL PUERTO HEALTHCARE DISTRICT**

**LAFCO RESOLUTION NO. 2009-26
WESTSIDE COMMUNITY HEALTHCARE
DISTRICT**

**LAFCO RESOLUTION NO. 2009-27
OAK VALLEY HOSPITAL DISTRICT**

This page intentionally left blank.

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: December 2, 2009

NO. 2009-25

SUBJECT: MSR No. 09-05 and SOI Update No. 2009-06 – Making Written Determinations and Approving the Service Review and Sphere of Influence Update for the Del Puerto Healthcare District

On the motion of Commissioner _____, seconded by Commissioner _____, and approved by the following vote:

Ayes: Commissioners:
Noes: Commissioners:
Absent: Commissioners:
Ineligible: Commissioners:

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, a Service Review mandated by California Government Code Section 56430 and a Sphere of Influence Update mandated by California Government Code Section 56425, has been conducted for the Del Puerto Healthcare District, in accordance with the Cortese-Knox-Hertzberg Reorganization Act of 2000;

WHEREAS, at the time and in the form and manner provided by law, the Executive Officer has given notice of the December 2, 2009 public hearing by this Commission on this matter;

WHEREAS, the subject document is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the State CEQA Guidelines;

WHEREAS, staff has reviewed all existing and available information from the District and has prepared a report including recommendations thereon, and related information as presented to and considered by this Commission;

WHEREAS, at the hearing, all persons present were given an opportunity to hear and be heard in respect to any matter in relation to the review, in evidence presented at the hearing;

WHEREAS, the following determinations are made in conformance with Government Code Section 56430 and local Commission policy:

1. Growth and Population Projections for the Affected Area: According to the District's Impact Fee Study, the estimated total service population for was 22,189 persons in 2005. The study projects a total service population of 55,511 in 2020. This estimate was made utilizing a combination of data including, current population and employment data, Stanislaus Council of Government's projections, and information regarding approved developments, including those in the City of Patterson, that have not yet been built-out (e.g.

Villages of Patterson). While there are other communities within the District (Westley, Grayson, and Vernalis), it is unlikely that there will be major growth in these communities in the near future. Last year, the District responded to over 1,500 ambulance calls (an average of 125 calls per month) and served approximately 6,500 established patients and 26,000 visits at their Health Center. New development will continue to generate additional demand for healthcare services.

2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies: The District created a Strategic Plan which covers all aspects of future medical care needs for the Westside. In 2008, it was determined that the Health Center is out of room and that instead of expanding to an additional space, the District plans to purchase or construct a building to house specialists, additional providers, and ancillary services. The District Board has chosen a location and is working towards the creation of a new health center.

The District owns and maintains four ambulances and all equipment necessary to place the ambulances in service. The District also owns all equipment necessary to provide services to the Health Center.

3. Financial Ability of Agencies to Provide Services: Overall, the District appears to be in good financial shape, and has in place the necessary financial mechanisms to continue serving existing and future residents. There is no overlapping or duplication of services within the District boundaries. The District uses surveys and billing company input to establish rates. Future rate changes are expected to be minimal; however, the District was successful in obtaining a Rural Health designation in 2004, which allows the Health Center to receive a cost-based reimbursement from the government for MediCal and Medicare patients. The District also collects mitigation fees, based on the aforementioned Impact Fee Study, from new developments and continues to collect fees on projects already approved and under fee agreements with the District.
4. Status of, and Opportunities for, Shared Facilities: In the spirit of cooperation, the District shares facilities and/or equipment with agencies and organizations within the area, when opportunities arise. For example, the District allows access to their quarters when the Westside Ambulance posts for the District. Since the West Stanislaus Fire Protection District assists with medical aids, their supplies and oxygen are restocked. From time to time joint education or meeting space is provided. Through a joint grant, space, equipment and supplies for diabetes education and screening is provided.
5. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies: A five member Board of Directors governs the District. Registered voters within a geographical area or "Division", elect the board members. The Board conforms to the provisions of the Brown Act requiring open meetings. It is reasonable to conclude that the District has the organizational capability to adequately serve the areas under its jurisdiction. The District has the necessary resources and staffing levels to operate in a cost-efficient and professional manner.
6. Any other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy: None.

WHEREAS, the following determinations are made in conformance with Government Code Section 56425 and local Commission policy in determining a sphere of influence for the Del Puerto Healthcare District:

1. Present and Planned Land Uses: The present and planned land uses within the District's Sphere of Influence (SOI) consist of agricultural, rural residential, suburban and urban areas. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries and SOI. The responsibility for land use decisions within the District boundaries is retained by the City of Patterson, Stanislaus County, and San Joaquin County.
2. Present and Probable Need for Public Facilities and Services in the Area: The present and probable need for public healthcare facilities and services in the area is not likely to diminish. On an annual basis, the District draws thousands of patrons seeking localized healthcare services. For 2003, the District served 3,200 patients seeking health care services. In 2008, the number increased to approximately 26,000 patient visits. The number of ambulance calls has increased by approximately 200 calls per year over the same period. Portions of patients travel from all communities on the Westside as well as the Modesto, Ceres, and Turlock areas. The District also receives a portion of patients from as far as Tracy and Stockton.
3. Present Capacity of Public Facilities and Adequacy of Public Services Provided: Given the increased demand for healthcare services, the District's Health Center has outgrown its current location and it is anticipated to relocate in 2010. The District has negotiated to purchase a 30,000 square foot building, which would allow for the Health Center to more than double in size, providing more space for procedures, stress and echo testing, colorectal screenings, and additional space for specialists and family physicians.
4. Communities of Interest in the Area: The following jurisdictions can be categorized as Communities of Interest in the area: the City of Patterson, as well as the unincorporated communities of Crows Landing, Grayson, Westley, Diablo Grande, and the Vernalis area (in San Joaquin County). Although outside the Districts' current boundary and SOI, the cities of Newman and Gustine can also be considered communities of interest, as the District receives patients from these areas as well.

WHEREAS, the Del Puerto Healthcare District currently provides healthcare services, as well as ambulance services within its boundaries;

WHEREAS, pursuant to Government Code Section 56425(h), the range of services provided by the Del Puerto Healthcare District are limited to those as identified above, and such range of services shall not be changed unless approved by this Commission; and,

WHEREAS, no changes to the District's Sphere of Influence are proposed or contemplated through this review.

NOW, THEREFORE, BE IT RESOLVED by the Commission:

1. Certifies that the project is statutorily exempt under the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

2. Approves the Service Review prepared in compliance with State law for the review and update of the Del Puerto Healthcare District Sphere of Influence, and written determinations prepared by LAFCO Staff and contained herein.
3. Determines that except as otherwise stated, no new or different function or class of services shall be provided by the District, unless approved by the Commission.
4. Determines, based on presently existing evidence, facts, and circumstances filed and considered by the Commission, that the Sphere of Influence for the Del Puerto Healthcare District should be affirmed as it currently exists, as more specifically described on the map contained within the Service Review document.
5. Directs the Executive Officer to circulate this resolution depicting the adopted Sphere of Influence Update to all affected agencies, including the Del Puerto Healthcare District and San Joaquin LAFCO.

ATTEST: _____
Marjorie Blom
Executive Officer

