

Tulare County

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LAFCO



Alta Healthcare District

MUNICIPAL SERVICE REVIEW

Prepared By

Tulare County

Local Agency Formation Commission

October 2020 - Draft

Alta Healthcare District MSR

Contact Information

Mailing Address: Post Office Box 410, Orosi CA 93946

Phone Number: 559-298-1089

Website: <https://www.altahcd.com/>

Management Information

Governing Body: Board of Directors. Five District Areas

Board Members: Yvette Botello, Chair
 Javier Quevedo, Vice Chair
 Margie Davidian, Director
 Kathy Grant, Director
 Martha Swaim, Director

Board Meetings: Every other month on the third Thursday at the Dinuba Library at 11:00 am

Staffing: 3 part time contract staff

Service Information

Empowered Services: Hospital and Health Care Services

Acres Served: 84,660 acres

Funding Sources: Property taxes

Description and History of the District

The Alta Healthcare District (the District) was formed in October of 1946. Its jurisdictional boundaries encompass an 84,660- acre area that includes the City of Dinuba and the Cutler-Orosi region. The District's Sphere of Influence (SOI) boundary is coterminous with its jurisdictional boundaries, **Figure 1**. At the time the District ceased hospital operations, it served an estimated population of 41,172 persons. The District provided inpatient and outpatient hospital procedures by contract with the Dinuba Surgery Center LLC (DSC).

The high costs of medical staff, healthcare technology and equipment, decreased Medicare reimbursement amounts and required retrofitting of hospital facilities put a financial strain on the

District that forced it to initiate Chapter 9 Bankruptcy proceedings on August 21, 2001. As part of the settlement agreement, the City of Dinuba was transferred ownership of the hospital building. The hospital ceased operations on October 10, 2001 and physically vacated the facility in 2004. An administrator was appointed by the Court on December 30, 2002 and approved by the Alta Healthcare District board on January 27, 2003. The twenty-fifth report and accounting of administrator for case no. 01-17857-A-9 Chapter 9 for the period of January 1, 2015 to June 30, 2015 was filed on July 28, 2015. A motion for final decree and order closing case was submitted October 27, 2015 and was so ordered by the bankruptcy judge on October 31, 2015.

The District is organized pursuant to the terms of the Local Health Care District Law (California Health & Safety Code, Section 32000 et seq.), to promote the public health and general medical and health related welfare within the District. The District's Mission Statement is, "We exist to enhance the physical and mental health of all residents of the District from conception to final passing." The district can provide a wide array of healthcare services afforded by its governing act, which extend beyond hospital services.

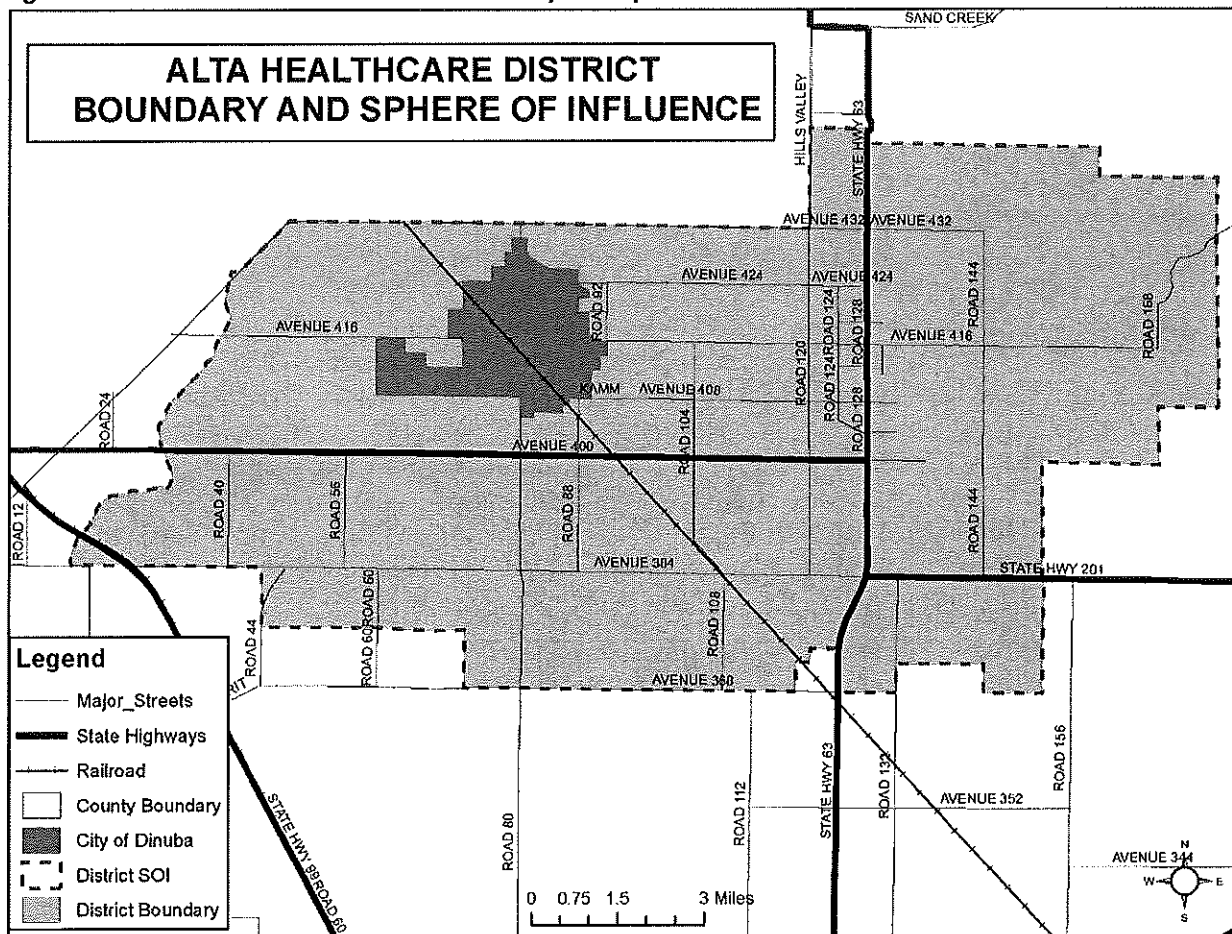
Since the bankruptcy closure in 2015 the District has shifted its focus to its grant program. In 2019 the District conducted a Health Needs Survey to help guide the Board regarding what types of programs to fund to have the biggest impact on the overall quality of health in the District. This survey was followed up with a 5 ½ hour workshop held at the Dinuba Senior Citizens Center. Through the process, the community helped the board focus on what the district funds should be spent.

The District became a Certified Healthcare District through the Association of California Healthcare Districts (ACHD) in 2018. The ACHD Certified Healthcare District Program promotes good governance for Healthcare Districts by creating a core set of accountability and transparency standards.

1 GROWTH AND POPULATION

The District encompasses the City of Dinuba, the communities of Cutler, Orosi, East Orosi, Sultana, Monson, London, Delft Colony and Yettem. The current District Boundary and the currently adopted Sphere of Influence (SOI) for the District are coterminous and illustrated below in **Figure 1-1**.

Figure 1-1 – Alta Healthcare District Boundary and Sphere of Influence



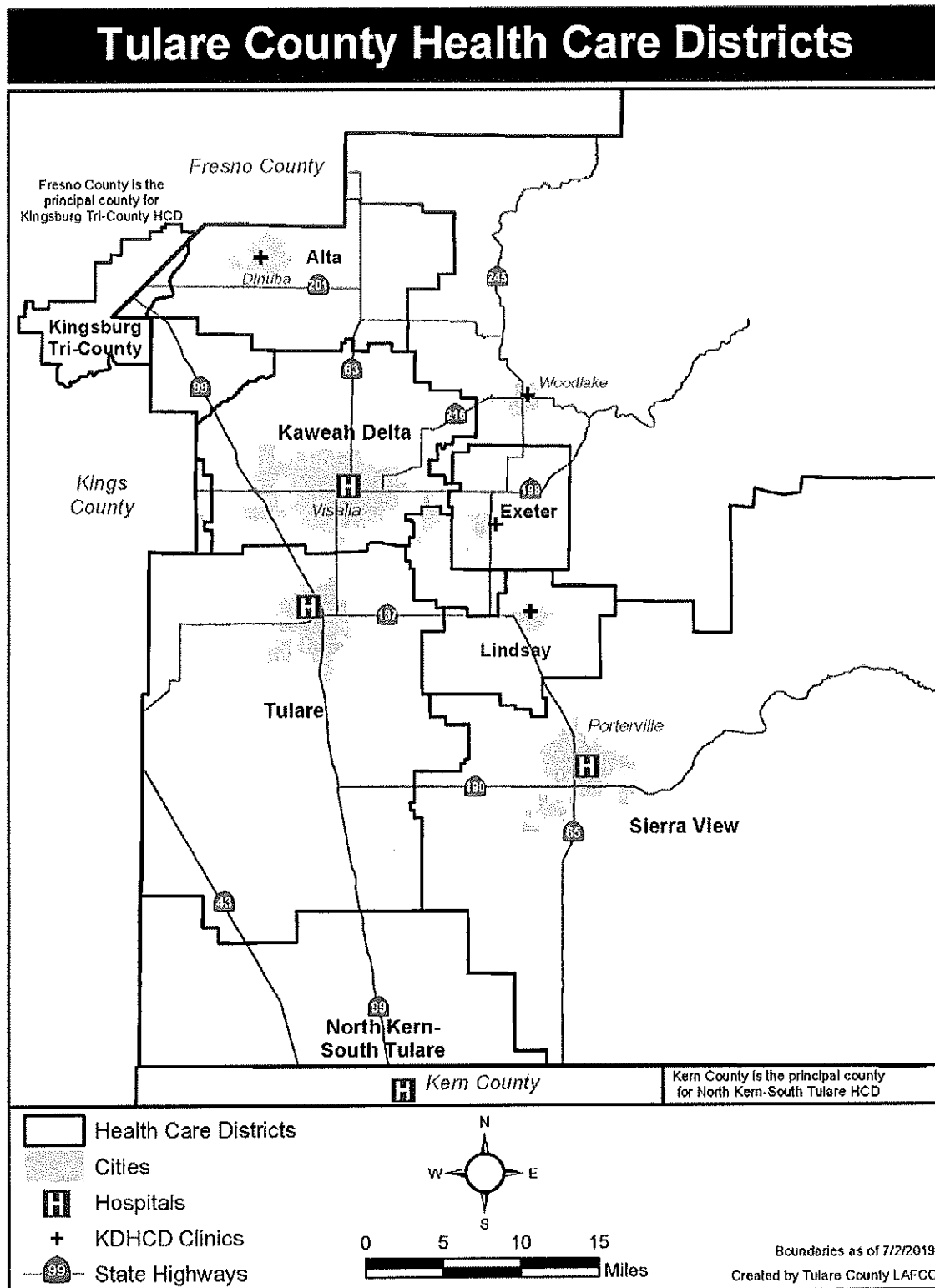
Source: Tulare County LAFCO and Tulare County GIS Database (September 2020)

The Tulare County General Plan projects a population growth rate for the unincorporated portions of the county through 2030 of 1.3%. The 2014 Housing Element of the Dinuba General Plan projects a population growth rate of 1.85% through 2023. The estimated 2019 population within the District is 50,602. The City of Dinuba has a 2019 estimated population of 25,328 which constitutes roughly half of the district.

Future growth in the District boundaries is likely to be a combination of growth within the City of Dinuba and the in the unincorporated areas of the County.

The District does not provide water, sewer, stormwater, utilities or any other services that directly affect the rate or location of population growth. The District is bordered by the Kingsburg Tri-County Health Care District to the west, Sierra Kings Hospital District to the north (Fresno County), and Kaweah Delta Health Care District to the south as shown in **Figure 1-2**.

Figure 1-2 Tulare County Health Care Districts



1.1 Written Determinations

1. The District Boundary and the District Sphere of Influence are coterminous.
2. The Tulare County General Plan projects a population growth rate of 1.3% and the City of Dinuba Housing Element projects a population growth rate of 1.85%.
3. District services do not directly affect the rate or location of population growth.
4. The estimated population within the District is 50,602 (2019) and the City of Dinuba accounts for roughly half the population.

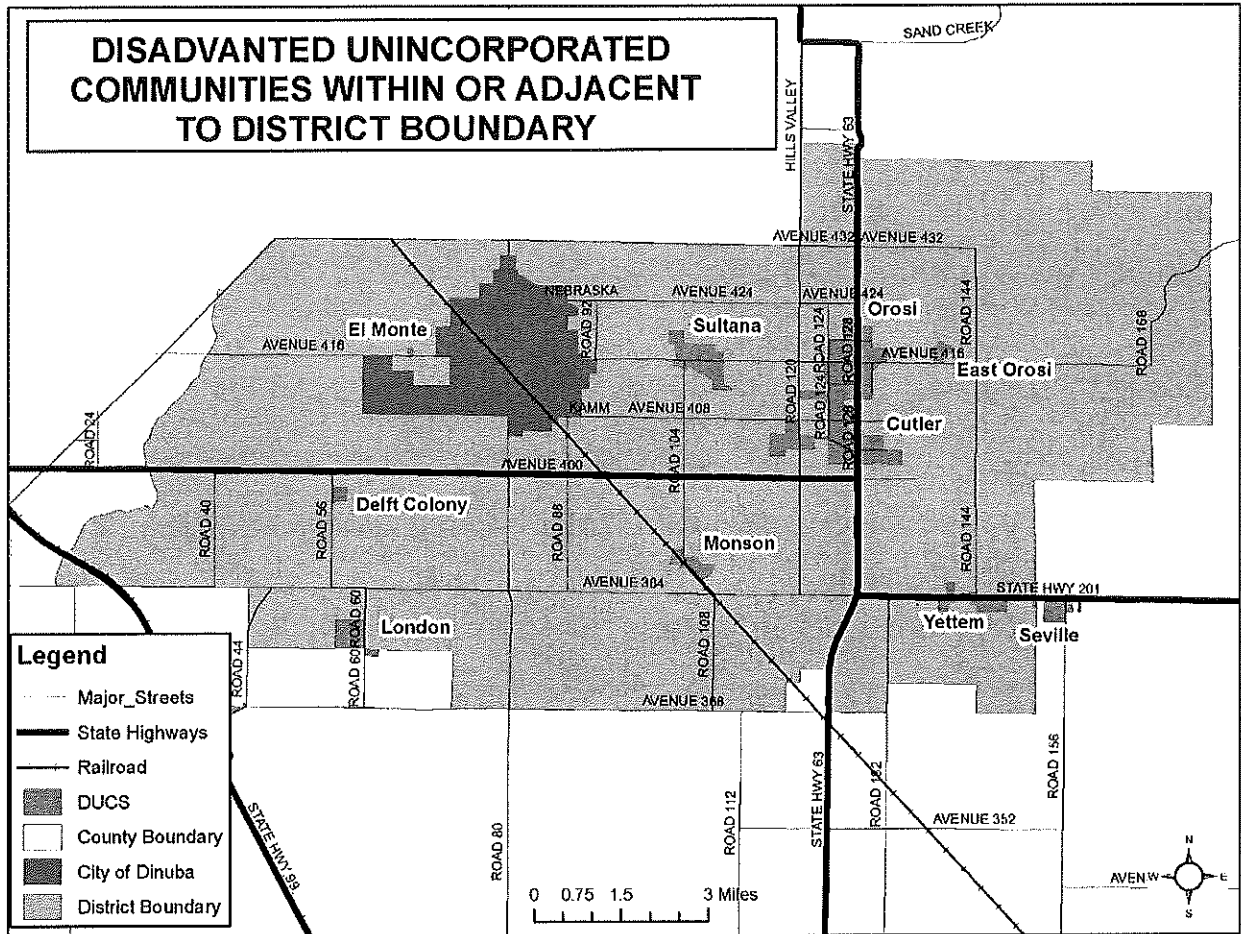
2 THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

Pursuant to Government Code section 56430, municipal service reviews are required to identify the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence and to also identify needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection. Government Code section 56033.5 defines a “disadvantaged unincorporated community” as inhabited territory, as defined by section 56046 (12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of disadvantaged community as defined by Water Code section 79505.5 (a community with an annual median household income that is less than 80 percent of the statewide annual median household income).

Tulare County LAFCO Policy C-5.7(C) defines a disadvantaged community as an area that has a median household income 80% or less of the statewide average pursuant to Public Resources Code section 7005(g) and contains at least 20 dwelling units at a density not less than one unit per acre. In addition to what is required by GC section 56430, Tulare County LAFCO Policy C-5(B)(VII)(a) requires that the Written Statement of Determinations for MSRs shall be based on a comprehensive review of area service providers conducted in accordance with GC section 56430(b) and shall include, but is not limited to: estimate of existing population, identification of existing service providers, identification of services provided within the community, service costs, and identification of land use designations, both existing and planned, contained in a city’s General Plan or County’s Community Plan for all (not just disadvantaged) unincorporated communities within or adjacent to the agency’s SOI. (Note: A reasonable effort shall be made to conduct a thorough review; however, the level of detail is subject to the extent data is readily available and relevant to the overall MSR analysis.)

Tulare County LAFCO identified El Monte Mobile Village as part of a list of disadvantaged unincorporated communities (DUCs) that was adopted into policy on 5/2/12/. The DUCs in or adjacent to the District’s current boundary/Sphere of Influence also include Delft Colony, London, Sultana, Monson, Cutler, Orosi, East Orosi, Yetttem, and Seville and are shown below in **Figure 2-1**.

Figure 2-1 Disadvantaged Unincorporated Communities Within or Adjacent to District Boundary



Source: Tulare County LAFCO and Tulare County GIS Database (September 2020)

The service providers for water, wastewater, fire, and police protection for the identified DUCs are outlined in Table 1 below.

Table 2-1 Service Providers for DUCs Within or Adjacent to District Boundary

	<u>Water</u>	<u>Wastewater</u>	<u>Fire</u>	<u>Police</u>
El Monte	El Monte Mobile Village	Private Septic	Tulare County Fire	Tulare County Sheriff
Delft Colony	Tulare County	Tulare County	Tulare County Fire	Tulare County Sheriff
London	London Community Services District	London Community Services District	Tulare County Fire	Tulare County Sheriff
Sultana	Sultana Community Services District	Treated at Cutler-Orosi Wastewater Treatment Facility	Tulare County Fire	Tulare County Sheriff
Monson	Sultana Community Services District	Private Septic	Tulare County Fire	Tulare County Sheriff
Cutler	Cutler Public Utility District	Cutler-Orosi Joint Power Wastewater Authority	Tulare County Fire	Tulare County Sheriff

Orosi	Orosi Public Utility District	Cutler-Orosi Joint Power Wastewater Authority	Tulare County Fire	Tulare County Sheriff
East Orosi	East Orosi Community Services District	Treated at Cutler-Orosi Wastewater Treatment Facility	Tulare County Fire	Tulare County Sheriff
Yettem	Yettem-Seville Community Services District	Treated at Culter-Orosi Wastewater Treatment Facility	Tulare County Fire	Tulare County Sheriff
Seville	Yettem-Seville Community Services District	Treated at Cutler-Orosi Wastewater Treatment Facility.	Tulare County Fire	Tulare County Sheriff

Source: Tulare County Community and Legacy Plans

2.1 Written Determinations

1. There are ten disadvantaged unincorporated communities (DUCs) within the District boundaries. These DUCs are El Monte, Delft Colony, London, Sultana, Monson, Cutler, Orosi, East Orosi, Yettem, and Seville.
2. The DUCs within the District boundaries receive services from a variety of sources. These are listed in Table 2-1.

3 PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

The District has no public facilities or infrastructure and there are no plans to change this.

The District's grant program is the primary tool that the District's uses to implement its mission and vision statements. The District's 2017 adopted grant guidelines (amended in 2019) are readily available on the District's website as is the grant request form. Both the guidelines and the request form are thorough and consistent with the District's mission and vision statements. The guidelines address the purpose for the community grants, areas of consideration, grant requirements, and accountability provisions. All grantees must report a year after award on how they spent the grant.

District staff provided a table outlining the grants distributed since 2016.

Table 3-1 District Grant Awards

Grantee	Approval of Grant	Amount Awarded	Notes
City of Dinuba	11/12/2015	\$70,000.00	New Ambulance
City of Dinuba	11/12/2015	\$113,101.69	New Ambulance
City of Dinuba	3/9/2017	\$156,031.92	New Ambulance
Cutler Orosi Unified	10/19/2017	\$14,000.00	Health and Nutrition Program (3 Years)
Cutler Orosi Unified	9/20/2018	\$14,000.00	2 nd Installment

Cutler Orosi Unified	5/14/2020	\$14,000.00	Carried over \$8,500 for FY 20-21
City of Dinuba	10/17/2018	\$161,437.15	New Ambulance
Monson Sultana Unified	5/17/2018	\$22,500.00	School Garden/Mental Health Services
Monson Sultana Unified	5/16/2019	\$22,500.00	2 nd installment approved
Monson Sultana Unified	5/14/2020	\$22,500.00	3 rd installment approved.
CSET	1/17/2019	\$10,000.00	Senior Meals Program
Open Gate Ministries	5/16/2019	\$20,000.00	Medical and supplies for half-way house
Dinuba Parks and Rec	9/19/2019	\$62,500.00	Fitness Equipment in Park
Open Gate Ministries	9/19/2019	\$20,000.00	Additional Funding
Proteus	11/21/2019	\$5,000.00	Playground Equipment
Cutler Orosi Unified	12/19/2019	\$21,600.00	Purchase of 18 AEDs
Tulare-Kings Campus Life	12/19/2019	\$40,000.00	Building Healthy Life Skills Program
Valley Health Team Inc.	12/19/2019	\$250,000.00	Urgent Care Hours and Services
Cutler Orosi Unified (1)	10/19/2019	\$87,500.00	Equipment for Sports Complex (see below)
AEDs to be installed at Pena's Disposal	10/19/2019	\$1,183.46	We own the equipment under contract
Open Gate Ministries	4/20/2020	\$80,000.00	Food Distribution/Shelter Home
City of Dinuba	5/14/2020	\$8,000.00	Air Conditioner for Senior Center
CSET	5/14/2020	\$64,812.00	Senior Meals for 6 Months
Cutler Orosi	5/14/2020	\$26,925.68	Equipment for Sports Complex
Monson Sultana Unified	7/16/2020	\$73,850.00	Expand mental health services
Monson Sultana Unified	9/17/2020	\$73,850.00	2 nd installment approved to be paid at a future date
Monson Sultana Unified	9/17/2020	\$73,850.00	3 rd installment approved to be paid at a future date
AEDs to be installed at Family Tree Farms	7/16/2020	Cost is still being determined	Contract out for signature. District would own equipment

3.1 Written Determinations

1. The District has no public facilities or infrastructure and there are no plans to change this.
2. The District operates a grant program to fund a variety of health related projects, equipment, and programs.

4 Financial Ability to Provide Service

The purpose of this section is to evaluate the jurisdiction's capability to finance needed improvements and services.

From 2002, the District was in bankruptcy until closed by court order on October 31, 2015. For the years following the bankruptcy proceedings, the district's primary function was to pay off its obligations. With those obligations met the district has in recent years shifted its focus to its grant program.

The District's prepares an annual budget and receives regular audits. According to the District's 2016 audit (the first fiscal year following the end of Chapter 9 bankruptcy), the District's revenues exceeded its expenditures by \$170,486 to end the fiscal year with a total net position of \$438,604. According to the District's 2017 audit, the District's revenues exceeded its expenditures by \$200,010 to end the fiscal year with a total net position of \$653,322. According to the District's 2018 audit, the District's revenues exceeded its expenditures by \$341,926 to end the fiscal year with a total net position of \$984,834. Since 2016 the amount of grants awarded has substantially increased. In calendar year 2017 the District awarded \$170,031 in grants, in 2018 the amount was \$197,937, in 2019 the amount was \$540,283 and by September in 2020 the amount was \$415,287. The fiscal year 2020/2021 budget projects \$528,000 income (from property taxes) and \$653,045 in total expenses with \$494,000 of those expenses going to grant awards. While it is understandable that the District may have wished to build up reserves coming out of bankruptcy and is now spending into those reserves, the District should develop a policy for an appropriate level of reserves for the district going forward.

4.1 Written Determinations

1. The District prepares an annual budget and receives regular audits.
2. The District's budget for fiscal year 2020/2021 included \$494,000 for grants.
3. As of July 1, 2019, the District had a net position of \$1,182,696.
4. Based on available financial information, the District is financially sound.
5. The District should develop a policy for a target level of reserves.

5 STATUS OF AND OPPORTUNITIES FOR COST AVOIDANCE AND SHARED FACILITIES

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs and to evaluate opportunities to share facilities and resources, thereby increasing efficiency.

The District's contracts 3 part time staff to meet the District's clerical, financial and legal needs. This avoids unnecessary costs and long-term liabilities such as the provision for retirement and healthcare. The District owns no facilities. The board holds its meetings at the Dinuba public library free of charge to the District. Some of the grants the District has distributed have gone to government and non-profits for medical equipment like AEDs. The District has also awarded AEDs to businesses where the District establishes a user agreement. The District should continue to find opportunities to share medical equipment and other resources with government and non-profit groups for the benefit of District residents.

The City of Dinuba provides ambulance services in the City and unincorporated areas in northern Tulare County. Four of the grants distributed since 2016 totaling \$500,570.76 have been to the City of Dinuba for the purchases of new ambulances. Kaweah Delta Health Care District (HCD) operates a clinic within the City of Dinuba. This clinic does not currently receive any funding from Alta HCD but there is an opportunity for shared resources as discussed in the next section of this MSR.

Legal fees remain high for the District. The 2020/2021 budget allocates \$72,000 to legal fees despite the district being out of bankruptcy. This is largely due to the District not having an administrator and relying upon their contract legal counsel to handle many of the District's operations, acting much like an administrator. The District should evaluate if there are more effective alternatives for District operations versus relying on contract legal counsel.

5.1 Written Determinations

1. The District avoids unnecessary costs and liabilities by contracting out professional services.
2. The District should continue to coordinate and collaborate with the City of Dinuba and the school districts within its boundaries and other government and non-profit organizations to share medical equipment and other resources.
3. The District should evaluate if there are more cost effective alternatives to manage District operations/administration.

6 ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

The purpose of this section is to consider the advantages and disadvantages of various government structure to provide public services, consider the management structure of the jurisdiction and evaluate the accessibility and levels of public participation associated with the agency's decision-making processes.

6.1 Government Structure

In May of 2019 the Kaweah Delta HCD issued a district boundary study where the potential consolidation of neighboring districts was examined for the purposes of spreading future bond issues to areas that use Kaweah Delta HCD facilities but are not currently within their boundaries. No recommendations were made from the study regarding if Kaweah Delta HCD should try to consolidate with neighboring districts. Rather, an analysis of what it might look like, how much revenue Kaweah Delta HCD may receive, the feasibility and the process of doing so were examined. The report also looked at data from California's Office of Statewide Health Planning and Development (OSHPD) regarding Kaweah Delta HCD's market share of emergency/urgent care facilities and hospital stays of patients from within Alta HCD.

Table 6-1 Hospital Services Provided to Alta HCD Residents (2018)

Hospital	In-Patient*	%	Hospital	ER Only*	%
Kaweah Delta	1,839	43.7	Reedley-Adventist	12,043	52.0
Reedley-Adventist	674	16.0	Kaweah Delta	3,673	15.9
Fresno-CRMC	448	10.6	Hanford-Adventist	3,052	13.2
Hanford-Adventist	301	7.2	Valley Children's	1,619	7.0
Valley Children's	254	6.0	Fresno-CRMC	542	2.3
All Others	691	16.4	All Others	2,229	9.6

Source: OSHPD using 93615, 93618, 93647 and 93666 zip codes

*In-Patient includes Emergency visits that result in hospitalization. Emergency includes Ambulatory Surgery (same day surgery – no hospitalization).

Kaweah Delta HCD operates a clinic within the Alta HCD boundaries in the City of Dinuba. Kaweah Delta has approached the Alta HCD seeking cooperation with the District in order to be able to issue bonds to construct certain state mandated seismic requirements for its hospital. Alta HCD has discussed alternate solutions to a consolidation with Kaweah Delta. Alta HCD has expressed interest in a JPA that would expand urgent care services and hours at the Kaweah Delta clinic in Dinuba. A group consisting of both the Districts attorneys and two representatives of each District was established to start discussions in the summer of 2020. A JPA would be beneficial for both Districts with the combination of funding from Alta HCD and expanded health care services at Kaweah Delta HCD's Dinuba clinic.

A primary benefit of a JPA with Kaweah Delta rather than consolidation is the retention of local control of funding of health care services within Alta HCD. However, a consolidation should still be reviewed and considered by Alta HCD. A consolidation could result in greater efficiency in the use of taxpayer funding and a better economy of scale for the provision of health care services for the area. A consolidation could include a condition that existing property tax revenue within Alta HCD must be used for health care services within the former District boundaries.

In the absence of a JPA or consolidation, Alta HCD's funding of ambulances for the City of Dinuba and other grant awards appear to be effective at meeting the District's mission and vision with serving District residents and consistent with the responsibilities of a health care district in California Health and Safety Code.

6.2 Local Accountability and Governance

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the SOI and District boundaries. The District has a five-member Board of Directors elected by voters residing within the District's boundary. Board seats are divided into five district areas. All five District board seats are filled.

The board creates District policy by adopting resolutions and ordinances through duly-noticed public meetings. Regularly scheduled Board meetings, which are open to the public are held on the third Thursday of the month starting at 11:00 a.m. The meetings are held in the Dinuba library located at 150 S. I Street. District board meetings are open to the public and residents are invited to attend the monthly board meetings. Opportunity to address the District board on items not on the agenda is provided on each meeting's agenda.

The District maintains a website that meets the requirements of SB 929 and SB 272. The District's website provides general district information, board of directors contact information, board meetings times and location, and the grant funding guidelines and application form. Agendas are posted at the Dinuba Public Library and on the district's website no less than 72 hours prior to the meeting. Agendas and minutes are posted to the website under the "Board Meetings" tab. A direct link to the most recent agenda should be added to the home page.

The board members are familiar with the Brown Act and receive yearly training. The board also regularly sends a member to the Association of California Health Care Districts meeting to receive training.

The District's 2019 audit states that the District's Governing Board adopted a budget without holding a public hearing. Though the meeting was properly noticed, the board failed to open it up for public comment. All future budgets passed by the District should hold a public hearing.

6.3 Written Determinations

1. The District's grant awards appear to be effective at meeting the District's mission and vision.
2. The District should continue JPA discussions with Kaweah Delta HCD.
3. The District should review and consider consolidation with Kaweah Delta HCD.
4. The District is governed by a five-member Board of Directors elected by voters residing within the District's boundary. Board seats are divided into five district areas.
5. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held every other month on the third Thursday at 11:00 a.m. at the Dinuba library. Agendas for Board meetings are posted at the Dinuba Public Library and on the district's website no less than 72 hours prior to the meeting.
6. The District maintains a website that meets the requirements of SB 929 and SB 272. The District's website provides district information, board of directors contact information, board meeting times and location, and the grant funding guidelines and application form. It is recommended that the District provide a direct link to the most recent agenda to the home page.
7. The District's 2019 audit states that the District's Governing Board adopted a budget without holding a public hearing. All future budgets passed by the District should hold a public hearing.

7 ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY AS REQUIRED BY COMMISSION POLICY

Alta HCD has no boundary conflicts or sphere of influence conflicts with any other hospital/health care district. Since Alta HCD does not have a hospital facility and there are no plans for outward growth of services, the existing SOI is recommended to remain conterminous with the District boundaries.