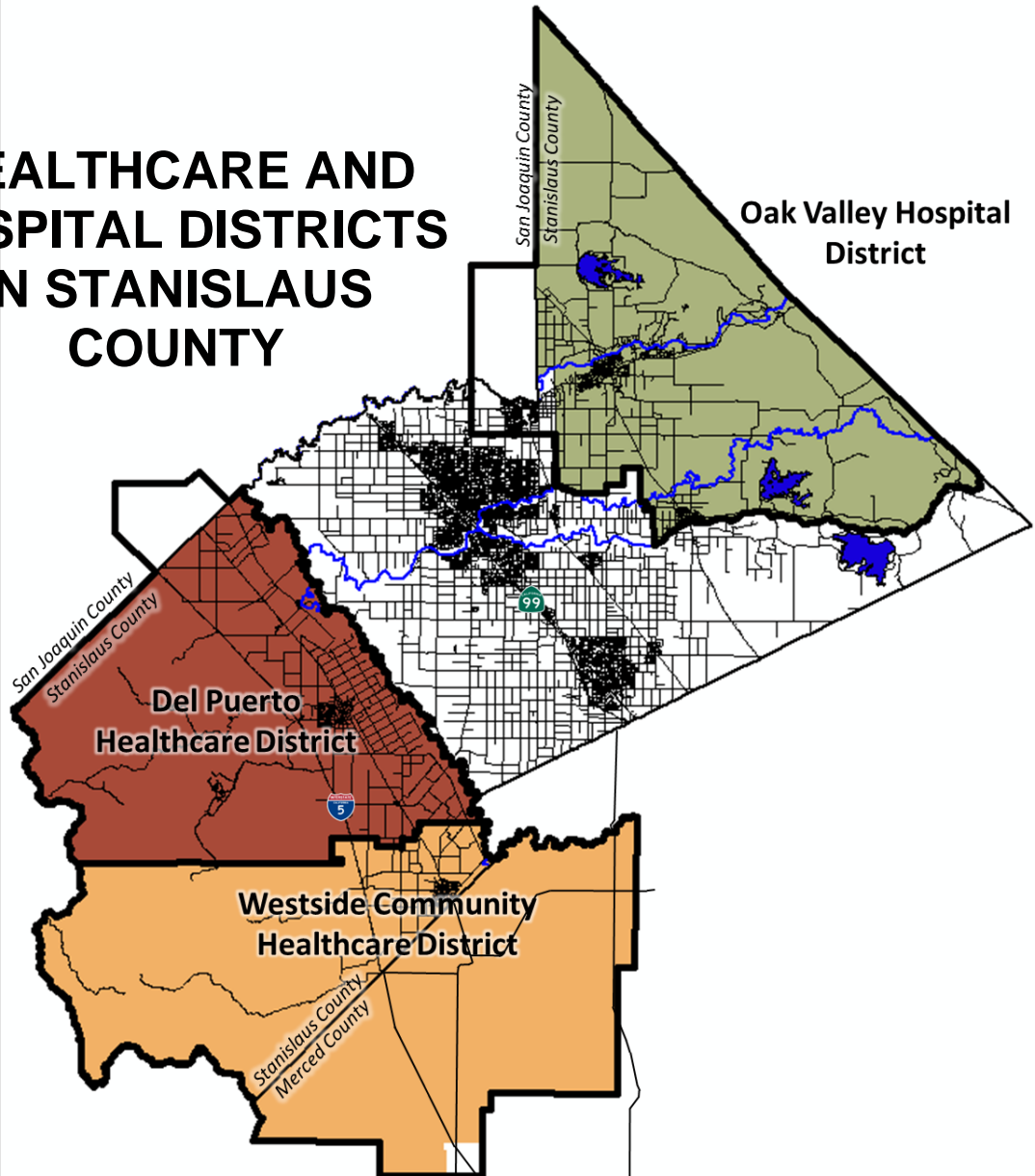


**MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE UPDATE FOR:**

**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

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Municipal Service Review and Sphere of Influence Update 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 a municipal service review 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..." MSRs must have written determinations that address the following factors in order to update a Sphere of Influence. These factors were recently amended to include the consideration of disadvantaged unincorporated communities within or contiguous to the sphere of influence of an agency.

Municipal Service Review Factors to be Addressed

1. Growth and Population Projections for the Affected Area
2. The Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence
3. Present and Planned Capacity of Public Facilities, Adequacy of Public Services, and Infrastructure Needs or Deficiencies Including Needs or Deficiencies Related to Sewers, Municipal and Industrial Water, and Structural Fire Protection in Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence
4. Financial Ability of Agencies to Provide Services
5. Status of, and Opportunities for, Shared Facilities
6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies
7. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

This MSR will analyze the Del Puerto Healthcare District, the Westside Community Healthcare District, and the Oak Valley Hospital District. It will also provide a basis for LAFCO to reaffirm the Spheres of Influence for the Districts.

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 municipal service reviews 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 document will be used to determine what type of services each district is expected to provide. For these special districts, the spheres will delineate the service capability and expansion capacity of the agency, if applicable.

The most recent sphere of influence update for the Healthcare and Hospital Districts was adopted in 2015 and proposed no changes to the Districts' SOIs. The current update serves to comply with Government Code Section 56425 and will reaffirm the SOIs for each district.

Sphere of Influence Determinations

In determining a sphere of influence (SOI) of each local agency, the Commission shall consider and prepare determinations with respect to each of the following factors, pursuant to Government Code Section 56425:

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 that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Background

Healthcare/hospital districts originated during 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 creation of these types of districts was 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 and Gustine 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 each District’s boundaries.

Purpose

Healthcare/Hospital districts may exercise numerous powers, including the following: 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; acquire, maintain, and operate ambulances, or ambulance services inside and outside the district; and 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 the original MSR completed for the Districts, each District 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. State Law requires that the Districts seek LAFCO approval in order to exercise any other latent powers not currently provided.

Municipal 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 (Patterson District Ambulance) 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:

- Patterson District Ambulance provides pre-hospital emergency medical services within the District. Ambulances are staffed with Paramedics and EMTs. Currently, two 24-hour ambulances serve the District, as well as provide mutual aid to surrounding areas. Patterson District Ambulance provides a third ambulance for 12-hours on occasion Mondays through Fridays as needed.
- Del Puerto Health Center provides primary care 6-days a week to western Stanislaus County. The Center is open Monday through Friday 8:30 a.m. - 6:30 p.m. and Saturday 8:30 a.m. - 12:30 p.m. Services include primary care, women's health exams, family care, industrial medicine, drug screenings, physicals, workers compensation 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 through outreach on topics such as women's health, diabetes, and stroke information. The District also participates in community events (e.g. Patterson Apricot Festival and health fairs). 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.
- Patterson District Ambulance staff provides CPR and first aid classes. This low-cost service targets individuals, businesses, and those whose job requires certification. Several employees are trained to teach these skills.
- 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 train paramedic and EMT interns. The District assists with the emergency medical system by training approximately 8 Paramedics a year.
- Patterson District Ambulance provides standby emergency support for local and state fire agencies, and ambulance standbys at sporting and other local events.

Location and Size

The District boundaries are comprised of approximately 234,000 acres, serving a significant portion of western Stanislaus County. While not heavily populated, the District covers an area that generally extends from Highway 132 south to Crows Landing, the San Joaquin River to the

east and the County line in the hills beyond 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 unincorporated community of Diablo Grande, located in the western foothills of Stanislaus County, west of Interstate 5 and approximately 5 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 249,000 acres and includes a potential expansion area of approximately 15,000 acres located in San Joaquin County. This area was included in the SOI because the District also draws patients from the Vernalis area in San Joaquin County, which, although not currently within the District's boundaries, is closer to Patterson than the healthcare services available in the Tracy area. It should be noted, however, 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 last Monday of each month at 7:00 p.m. at 1700 Keystone Pacific Parkway, Unit B, in Patterson. All meetings are open to the public.

Personnel

The District employs 48 persons: 39 full-time, 9 part-time. In addition, due to the small size of the District, some support services are outsourced. These include, biomedical, housekeeping, and preventative maintenance. Legal services and annual audit professionals are also used. Consultant groups are used for feasibility studies on an as-needed basis.

Mission Statement

The Del Puerto Healthcare District's mission statement is as follows: "The District's primary mission is to provide the highest quality healthcare services through Patterson District 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, Stanislaus County, local area hospitals, the Patterson-Westley Chamber of Commerce, and the unincorporated communities of Crows Landing, Grayson and Westley. 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 Medical Services, California Ambulance Association, California Special Districts Association, and Association of California Healthcare Districts.

Additionally, in 2007, the Westside Healthcare Advisory Taskforce was formed. The taskforce is a public/private/non-profit consortium of interested healthcare proponents on the Westside of Stanislaus County and Merced County. The mission of the taskforce 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, special assessments, health center revenues, ambulance service fees, developer/mitigation fees collected from new development, and interest income.

Determinations - Del Puerto Healthcare District

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

1. Growth and Population Projections for the Affected Area

The District estimates that its current population is approximately 30,000 people. During the 2018-2019 fiscal year, the District had 15,044 health center visits and responded to 2,338 ambulance calls.

Of the District's 30,000 people, approximately 22,524 reside in Patterson. The City of Patterson is likely to see significant growth in the future, including a development known as The Villages on the northeast end of the City. The development is planned for 692 gross acres of residential, commercial, industrial, public uses.

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.

2. The Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

The communities of Grayson and Westley, which lie within the boundaries and Sphere of Influence of the District, are both considered disadvantaged unincorporated communities, as they have median household incomes that fall below the 80% statewide median.

3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies Related to Sewers, Municipal Water and Industrial Water, and Structural Fire Protection in Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence

The District has 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 had outgrown its existing facility on Ward Avenue. In 2012, the District relocated its Health Center to a newly remodeled, 11,000 square foot building in the Keystone Business Park. The District owns and maintains four ambulances and equipment necessary to place the ambulances in service. The District also owns all equipment necessary to provide services to the Health Center.

As the District is not a provider of water, sewer, or fire protection services, it is not responsible for assuring that these services are adequately provided to disadvantaged unincorporated communities within or contiguous to the District.

4. Financial Ability of Agencies to Provide Services

Overall, the District appears to be in stable financial shape and has in place the necessary financial mechanisms to support continued services to existing and future residents. The District uses surveys and input from its billing company to establish rates. Additionally, the District was successful in obtaining a Rural Health designation in 2004 that allows the Health Center to receive a cost-based reimbursement from the government for MediCal and Medicare patients.

As is common with agencies that provide ambulance services, it is difficult to fully recover costs related to emergency service calls. Thus, the District's ambulance service is subsidized through property tax support.

The District also collects mitigation fees from new developments based on its 2006 Impact Fee Study and continues to collect fees on approved projects under fee agreements. The District is currently evaluating future facility needs and improvements and will update its impact fees when completed.

5. 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 also provided.

6. 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 is subject to 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.

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

None.

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 in the Area, Including Agricultural and Open-Space Lands

The present and planned land uses within the District's Sphere of Influence (SOI) consist of agricultural, rural residential, suburban and urban areas. 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. 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 its patients from as far as Tracy and Stockton. New development in these areas will continue to generate additional demand for healthcare and ambulance services.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

Following an increased demand for healthcare services, the District's Health Center outgrew its previous location and, in 2012, relocated to an 11,000 square foot building that provides sufficient area for procedures, stress and echo testing, colo-rectal screenings, and additional space for specialists and family physicians.

The District operates two ambulances 24 hours a day, seven days a week, 365 days a year, and when needed will add a third ambulance to help cover calls.

The District is faced with a shortage of space in existing crew quarters and has recently obtained additional attached land upon which to build a larger headquarters that will house the District administrative offices and ambulance operations.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They are Relevant to the Agency

The following jurisdictions can be categorized as Communities of Interest in the area: the City of Patterson, the unincorporated communities of Crows Landing, Grayson, Westley, Diablo Grande, and Vernalis (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.

5. For an Update of a Sphere of Influence of a City or Special District That Provides Public Facilities or Services Related to Sewers, Municipal and Industrial Water, or Structural Fire Protection, the Present and Probable Need for Those Public Facilities and Services of Any Disadvantaged Unincorporated Communities Within the Existing Sphere of Influence

As the District does not provide services related to sewers, municipal and industrial water or structural fire protection, this factor is not applicable.

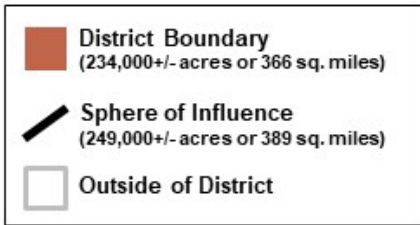
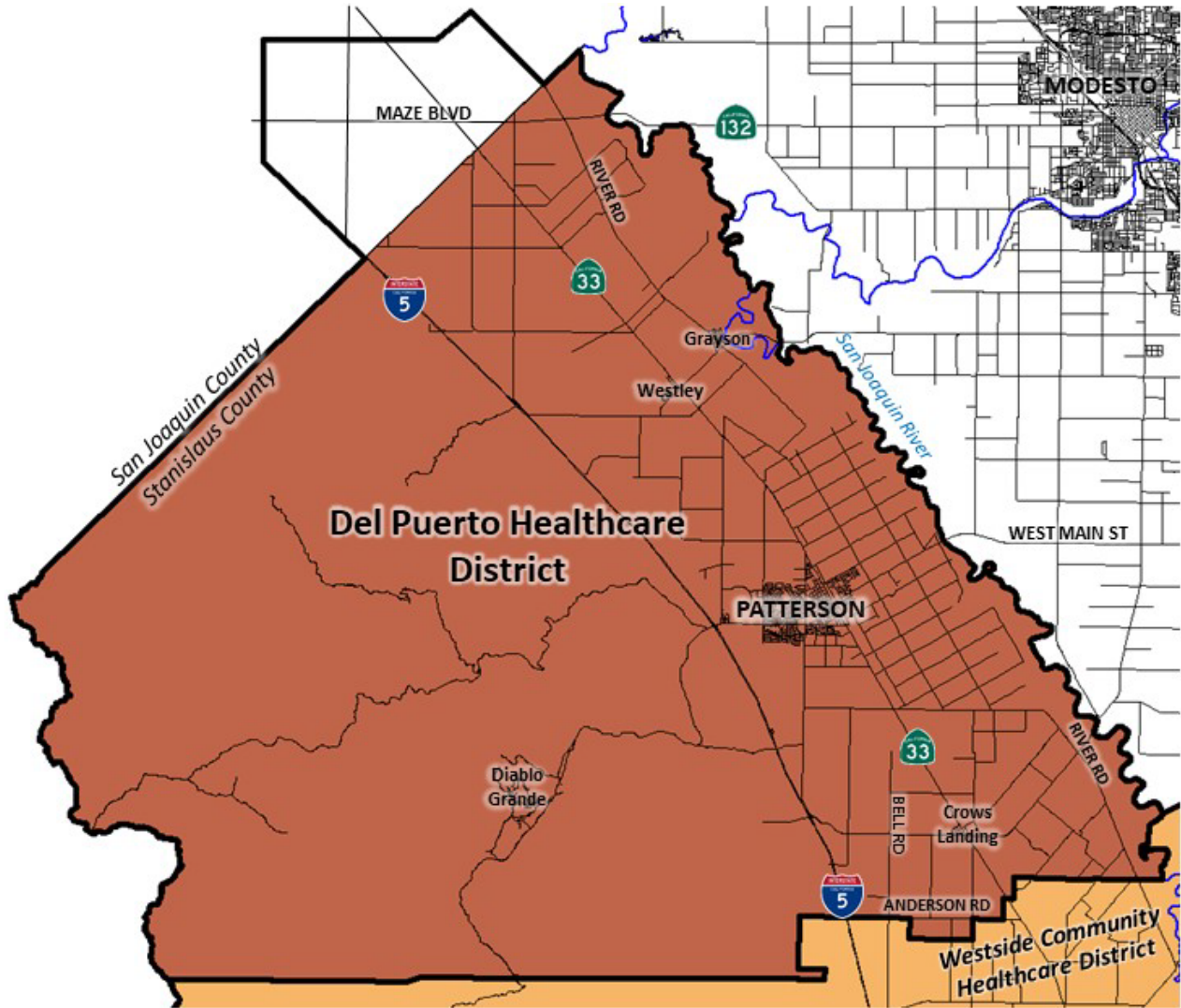
**DISTRICT SUMMARY PROFILE
DEL PUERTO HEALTHCARE DISTRICT**



Formation:	July 1, 1946
Services:	Ambulance services, operation of a health center, education, and free community health outreach
District Boundary:	Approximately 234,000 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 beyond the District's current boundary, extending out to the Vernalis area in San Joaquin County
Population*:	30,000 (total service population estimate for 2020)
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:	Five-member Board of Directors, elected by registered voters within the District boundaries
Administration:	48 Employees
Total Revenues:	\$4,458,000 (Fiscal Year 2019-20 Budget)
Revenue Sources:	Share of County property taxes, special assessments, service fees, developer/mitigation fees, and interest

** Source: District estimate, 2020*

DEL PUERTO HEALTHCARE DISTRICT BOUNDARIES AND SPHERE OF INFLUENCE



Source: LAFCO Files, July 2020