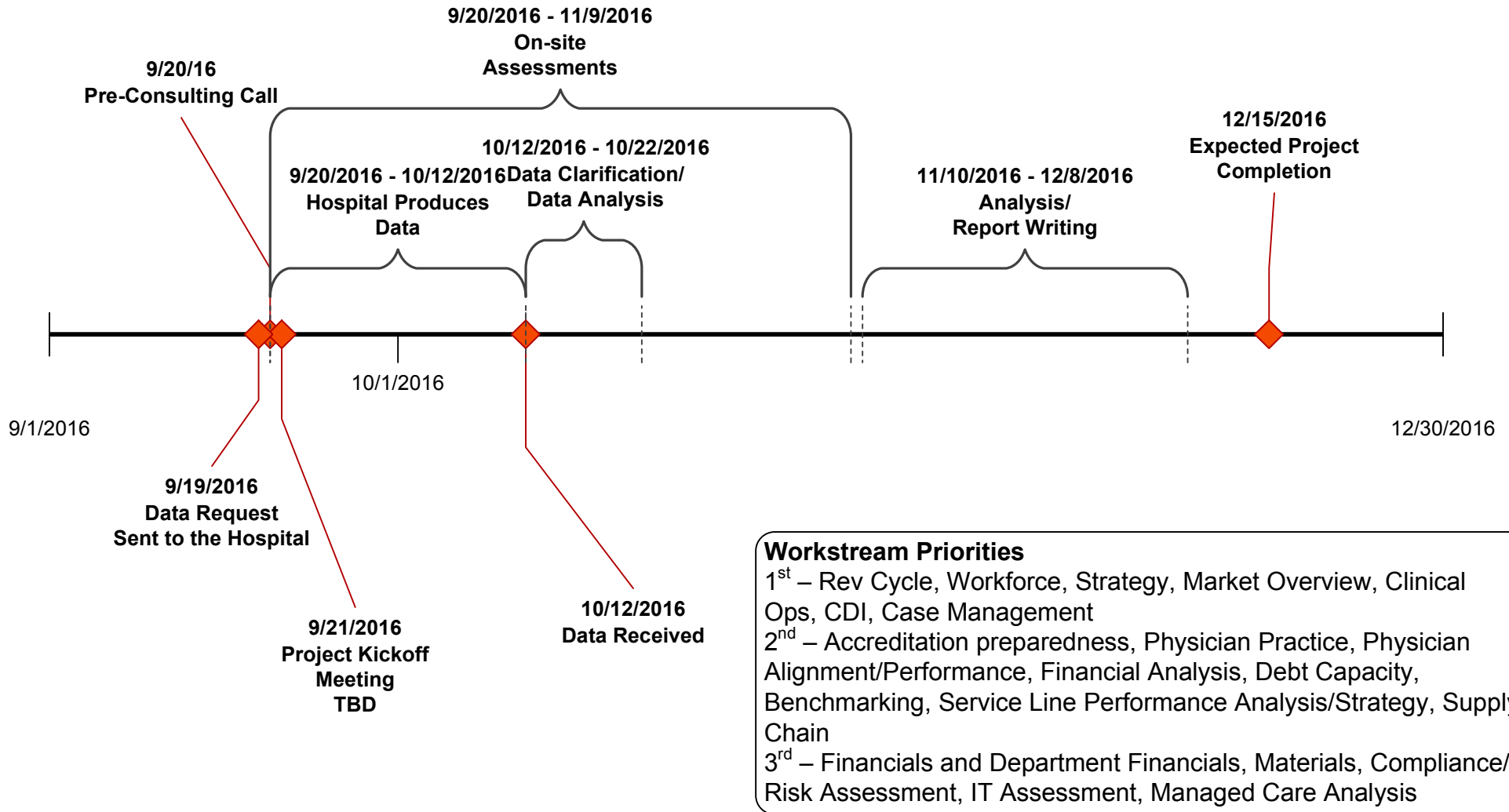


Mark Twain - Financial, Operating and Strategic Assessment High-level Project Schedule



DRAFT



Date:
9/20/2016



August 2016

ACHD Advocate

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From the Desk of Ken Cohen, Executive Director

As outlined in last month's ACHD Advocate, [The Little Hoover Commission](#) is reviewing California's vast network of special districts.

As part of their study, the Commission has identified Healthcare Districts for a more in-depth focused review, following its initial introductory hearing on August 25 about special districts in California. In turn, ACHD provided written and oral testimony at the initial Commission meeting on Thursday, August 25, 2016. [Watch that hearing here](#), and find all written comments submitted to the Commission [here](#).



The Commission will hold a follow up public hearing on October 27 specifically to explore how special districts are incorporating climate change adaptation into current

and long-term allocations of their property taxes, fee revenues and reserves. The Commission has also scheduled a roundtable discussion to further explore the landscape of Healthcare Districts, with a focus on those Healthcare Districts that have received attention from local grand juries, the Legislature and others. The roundtable discussion will be held on **Wednesday, November 16**, from 1:30 p.m. to 3:30 p.m. in the Lower Level Conference Room of 925 L Street, Sacramento.

Of note, at the business meeting following the hearing on the 25th, several comments were made by Commissioners regarding their perceived need to consolidate or eliminate Healthcare Districts. While largely based upon misinformation and lack of understanding of the role of Healthcare Districts under state and federal healthcare reform, Healthcare Districts will need to remain vigilant in our efforts to inform and educate local and state elected and appointed officials.

As previously reported, in response to the challenge from the Little Hoover Commission, the Assembly Local Government Committee and the Senate Governance & Finance Committee, the ACHD Board established a Working Group comprised of the leadership of Healthcare Districts statewide to review the changing role of Healthcare Districts, enhance accountability and improve transparency. The Working Group has met four times and developed the following four strategies for the ACHD Board to consider: **Messaging, Modernization of Healthcare District Law, Credentialing/Certification of Healthcare Districts, and Enhancements to LAFCo**. The specific layout of these major strategies will be discussed at the ACHD board retreat on October 4-6.

A special thank you to the members of the Working Group who participated in the above process, for working collaboratively to enhance and protect the interests of Healthcare Districts and for their support of the Association.

Stay tuned for updates from the ACHD Board on their strategic discussions in October. Additionally, 3 subcommittees of the Working Group will be created to further develop each of the above strategies. We look forward to keeping you up to date on those efforts. Please contact Amber King, at amber.king@achd.org if you have an interest in participating in the subcommittee process.

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[In Case You Missed It... Healthcare District News from Around the State](#)



Marin Healthcare District Recognized for Best Practices in Governance

Marin Healthcare District was recognized by ACHD with its "Best Practices in Governance" certification, indicating Marin's commitment to open and transparent government. Read the full article [here](#).

Palomar Health and Mayo Clinic: Sharing Best Practices

When the renowned Mayo Clinic and Palomar Medical Center teams get together to share expertise and best practices, the result is a win-win for the healthcare givers and patients alike. Read the full article [here](#).

Sierra View achieves Baby Friendly designation

After a three-year journey, Sierra View Medical Center (SVMC) has received the first Baby Friendly Hospital Initiative designation in Tulare County. Read the full article [here](#).

Camarillo Healthcare District Earns Local Award

The Camarillo Health Care District was recently named Allied Health Professional of the Year by the Ventura County Medical Resource Foundation at the Fainer, MD and Leo Tauber, MD Awards Ceremony. The Fainer and Tauber award is given for outstanding contributions by those involved in delivery of health care in Ventura County. Read the full article [here](#).

Breast Health Center Planned for Northern Inyo Healthcare District

Healthcare in the Eastern Sierra advanced this week with the launch of a planned Breast Health Center in the Northern Inyo Healthcare District (NIHD). Read the full article [here](#).

Beach Cities Health District Names New CEO

Beach Cities Health District announced its Board of Directors unanimously selected Tom Bakaly as the organization's next chief executive officer. Read the full press release [here](#).

Pioneers Memorial Launches Free Infant CPR Courses

In an effort to continue with the momentum of the recently launched Diabetes Education program, Pioneers Memorial Healthcare District will begin offering a free infant CPR education course that provides high-quality, evidence based education techniques in both English and Spanish. Read the full article [here](#).

Grossmont Healthcare District Provides Grant to St. Madeleine Sophie's Center

The Grossmont Healthcare District provided a \$24,375 grant to St. Madeleine Sophie's Center to assist SMSC with on-site nursing services for adults with developmental disabilities. SMSC educates and empowers individuals with developmental disabilities to realize their full potential. Read the full article [here](#).

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Stanford University Seeking Information on Healthcare District Wellness Programs

The Association was recently contacted by the Stanford Health Improvement Program (HIP) within the Stanford Prevention Research Center at the Stanford University School of Medicine.

HIP has been supporting Stanford University and Hospital's employee wellness efforts for 33 years. Housed within the School of Medicine and the Stanford Prevention Research Center (SPRC), HIP has a unique role to deliver and disseminate findings from the research side of prevention and wellness.

HIP is seeking information on the wellness programs offered by our Healthcare Districts. Specifically:

- What type of wellness programs does your District offer to employees and to the community?
- What are the specific areas of wellness needs in your community?

At your earliest convenience, [please complete this short survey](#). The information you provide will assist Stanford University with tailoring wellness programs specifically for use by Healthcare Districts.

The program has seen such positive results that they now hope to help Districts implement similar programs. They believe this is especially important for the Healthcare Districts because the Districts are in a unique position to make a difference in the health and well-being of their staff, patients and communities.

For any questions, please contact [Sheila Johnston](#).

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CSDA 2016 "Districts Make the Difference" Video Contest



In an effort to increase the understanding and awareness of Special Districts, [California Special Districts Association](#) (CSDA) has launched a statewide video contest.

California high school and college students are invited to participate in their [Districts Make the Difference video contest](#). Submissions will be accepted until October 31st, 2016 at which point five finalists will be selected and featured

on the Districts Make the Difference website for statewide voting.

Winners will be announced early December and the featured district will have an opportunity to participate in a press conference.

CSDA invites all special districts and fans of special districts to participate by sharing this contest with their communities.

For more information visit: http://r20.rs6.net/tn.jsp?f=0019cnwUb-6HOpNDyzbYJQIArVv0u9kNHixRIXpUNEmGkz75rRpNpGdM4TH7mXkewsvUj3U-vlTImCmM6uh0dFd3SWsod5BSmAZ8-T6rnnwM-IVjj0KFi6KD5SOmOxy90_c7CZeUlnl4KVRbavM2qJmGWtz2vZ8T1S5OovILN-9pGZySsMVgqzuiYEz5PQI6SKyA0rD3pnmlkKZyHeluli59Q==&c=&ch=

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Legislative Update

End-of-Session Wrap Up

The Legislature adjourned the 2015-16 legislative session in the early hours of September 1, running past the midnight deadline. The Governor will have 789 bills to consider by September 30. In the last weeks of August, the Legislature sent the Governor 391 bills; an additional 398 bills will be arriving shortly.



There is a remote possibility that the Legislature could return later this year. The First Extraordinary Session on Transportation remains open and rumors persist of an unlikely scenario in which the Legislature returns for a lame duck session after the November election to deal with the transportation issues.

There were a number of big picture issues addressed by the Legislature in August, including:

- Surprise medical billing
- Legislation to implement the Administration's Whole Child Model for the California Children's Services (CCS) program
- Legislation to approve new climate targets (SB 32) and legislation to provide additional oversight of the Air Resources Board (AB 197)
- Appropriation of \$900 million in Cap and Trade funding
- Farmworker overtime

SB 957 (Hueso): Design-build Authority for Healthcare Districts

ACHD is pleased to report that Governor Jerry Brown signed Senator Ben Hueso's [SB 957](#) into law on Friday, August 26. This important measure provides Healthcare Districts that own or operate a hospital or clinic with design-build authority consistent with that currently enjoyed by cities and counties and four Healthcare Districts. Thanks to all of those Districts that sent letters of support and advocated for the bill with their legislative delegation.

ACHD jointly sponsored SB 957 with the State Building and Construction Trades Council. The measure takes effect January 1, 2017.

AB 2024 (Wood): Physician Employment

On the Governor's desk for his consideration, [AB 2024](#) by Assembly Member Jim Wood would authorize a federally certified critical access hospital to employ physicians on a pilot basis, with language to sunset the authority on January 1, 2023. Medical staff must sign off on the hiring and the Office of Statewide Health Planning and Development (OSHPD) must complete a report on the pilot. ACHD strongly supported AB 2024 and will request that the Governor sign the bill.

AB 2471 (Quirk): Health Care Districts: Dissolution

[AB 2471](#) by Assembly Member Bill Quirk would have required the Alameda County Local Agency Formation Commission (LAFCO) to dissolve the Eden Township Healthcare District under certain circumstances. In light of a special study of the District currently being conducted by the Alameda County LAFCO, Assembly Member Quirk moved AB 2471 to the Senate Inactive File, where it remains. ACHD opposed this measure, advocating instead for a local dialogue about community concerns and the future of the District.

AB 2737 (Bonta): Nonprovider Health Care Districts

The Senate and Assembly approved [AB 2737](#) by Assembly Member Rob Bonta, which would require the Eden Township Healthcare District (or a similarly situated Healthcare District) to limit its administrative expenses to 20 percent of its annual budget. ACHD opposed AB 2737 and will be asking the Governor to veto the bill when it comes before him for action.

AB 2414 (E. Garcia): Desert Healthcare District

[AB 2414](#) by Assembly Member Eduardo Garcia was approved by the Senate and Assembly and sent to the Governor this week. This measure authorizes the expansion of Desert Healthcare District into the eastern Coachella Valley by requiring the District to submit an application to the local LAFCO and the LAFCO to order the expansion subject to a local vote, if a funding source can be identified. ACHD did not take a position on AB 2414, but is closely watching it.

AB 2389 (Ridley-Thomas): Special Districts: District-Based Elections: Reapportionment

[AB 2389](#) by Assembly Member Sebastian Ridley-Thomas was sent to the Governor for his consideration. This measure authorizes special districts to move from at-large to by-district elections by ordinance to avoid costly legal battles associated with the California Voting Rights Act (CVRA). ACHD supported this measure and will request a signature.

AB 2910 (Committee on Local Government): Local Government: Organization: Omnibus

The Governor has signed [AB 2910](#), the Assembly Local Government Committee's annual omnibus bill relating to Local Agency Formation Commission (LAFCO) law. These annual measures include technical, consensus changes to statute that are subject to regular stakeholder review. This year, AB 2910 includes language that explicitly authorizes a LAFCO to order dissolution of a Healthcare District without a vote of the people if a majority protest fails to occur.

SB 468 (Allen): Healthcare Districts: Design-Build

[SB 468](#) by Senator Ben Allen was the new version of SB 994 (Hill) that would have provided Beach Cities Health District and Peninsula Health Care District with design-build authority on a pilot basis. After running into legislative procedural challenges primarily associated with end of session deadlines, SB 468 was held in the Assembly Rules Committee.

AB 1306 (Burke): Healing Arts: Certified Nurse Midwives: Scope of Practice

[AB 1306](#) by Assembly Member Autumn Burke failed to garner enough votes to get off the Assembly Floor on the last night of session. ACHD supported AB 1306, which would have separated the practice of nurse midwives from physician practice. California is one of six remaining states to include physician supervision language.

ACHD supports a number of solutions to increase access to care and address provider shortages, including expanding the scope of practice for certified nurse-midwives. There are currently 9 counties in California with no obstetrician-gynecologists practicing.

Other Legislative Items of Interest:

Surprise Medical Billing

The Legislature was able to get a bipartisan agreement on [AB 72](#) by Assembly Member Rob Bonta, which attempts to eliminate surprise medical billing. Consumers receive surprise medical bills when out-of-network doctors - anesthesiologists, radiologists and

others - provide care at a patient's in-network hospital or clinic, but charge their out-of-network fees. The consumer believes they are getting services appropriately at their network hospitals and are unprepared for medical bills that can be thousands of dollars.

AB 72 is co-authored by a bipartisan group of legislators including, Susan Bonilla, Brian Dahle, Lorena Gonzalez, Brian Maienschein, Miguel Santiago, and Jim Wood. Under AB 72, patients who go to in-network health facilities will pay in-network prices. Insurance companies would compensate out-of-network doctors for treatment, either at the average procedure rate for the region or at 125 percent of what Medicare pays, whichever is greatest.

The California Medical Association (CMA) removed their opposition in the waning days of the Legislative session. AB 72 enjoyed a diverse group of supporters including consumer advocates, labor unions, health plans and insurers.

The measure passed off the Senate floor 35-1 and the Assembly floor 70-0. The Governor has until September 30 to act on AB 72.

California Children's Services (CCS)

The Legislature, Administration and stakeholders came to agreement on implementing legislation for the Brown Administration's Whole Child Model, [SB 586](#) by Senator Ed Hernandez. SB 586 is awaiting action by the Governor. Key elements of the measure include:

- Extends the existing CCS carve out until January 1, 2022 in the 38 non-County Organized Health System (COHS) counties.
- Implements the Whole Child Model in the 20 COHS counties by July 1, 2018. These counties include: Del Norte, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Shasta, Siskiyou, Solano, Sonoma, Trinity, Yolo, Monterey, Santa Cruz, Merced, San Luis Obispo, Santa Barbara, and Orange.
- Under the Whole Child Model, the Medi-Cal managed care plan will become responsible for medical and service authorizations for CCS-eligible children. Those functions are currently done by county CCS staff, who are primarily public health nurses.
- Provides for 12 months of provider continuity of care for children and families that request it. Also provides an appeal process directly to the Director of the Department of Health Care Services on continuity of care.
- Provides for county public health nurse continuity of care for children and families that request it. The provisions provide for some limited exceptions to the public health nurse continuity of care.
- Provides for a separate CCS-rate to be maintained, where possible. There are counties where a blended rate already exists and those rates would not change.
- Provides for pharmacy and durable medical equipment continuity of care.
- Provides for an evaluation of the Whole Child Model by January 1, 2021.

The stakeholder process included children's hospitals, children's specialty providers, children's advocacy groups, family groups, and labor. The Governor is expected to sign the bill.

Pharmaceutical Price Transparency

Senator Ed Hernandez's effort to bring more transparency to pharmaceutical pricing, [SB 1010](#), stalled in mid-August after being substantially amended in the Assembly Appropriations Committee. The amendments scaled back the notification requirements about price increases, kept pricing information confidential until manufacturers reveal it, and raised the threshold that would trigger price increase disclosure. Senator Hernandez and his coalition of supporters - including consumer advocates, labor unions and health plans - are expected to introduce another measure in 2017.

However, after EpiPen pricing became front page news in late August, Senator Hernandez's passion for pharmaceutical pricing was reignited. He introduced [SJR 29](#) on August 29 to urge Congress to investigate the impact that Mylan's monopoly has had on the price hikes for EpiPen. Additionally, the resolution urges Congress and the President to take action to limit the ability of drug manufacturers to increase prices based only on what the market can bear. The measure passed off the Senate floor unanimously with Senator Bob Huff, an author of prior legislation to require EpiPens in schools, and Senator Jeff Stone, a pharmacist, speaking in support.

Additionally, Senator Hernandez has announced plans to hold an oversight hearing on drug pricing during the fall recess.

In addition to the legislative concerns with pharmaceutical price transparency, please recall that Proposition 61 on the November 2016 ballot would prohibit state agencies from paying more for prescription drug than the lowest price paid for the same drug by the US Department of Veterans Affairs. It is unclear how the legislative fights on drug pricing will impact the Proposition 61 campaign and fundraising.

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Filing and Ethics Requirements for Healthcare District Trustees and Executives

Form 700: Statements of Economic Interests

Every elected official and public employee who makes or influences governmental decisions is required to submit a Statement of Economic Interest, also known as the Form 700. The Form 700 provides transparency and ensures accountability in two ways:

1. It provides necessary information to the public about an official's personal financial interests to ensure that officials are making decisions in the best interest of the public and not enhancing their personal finances.
2. It serves as a reminder to the public official of potential [conflicts of interest](#) so the official can abstain from making or participating in governmental decisions that are deemed conflicts of interest.

Filing a Form 700

The FPPC is available to answer any questions you may have on Form 700 reporting or filing. However, in order to better assist you, you should obtain your "disclosure category." A disclosure category is a description of the types of financial interests you must disclose on your Form 700 based on your job classification or position. Each agency defines its own disclosure categories for each position based on the type and scope of work performed.

To obtain a copy of your disclosure category, check with a supervisor or other designated staff in your agency's legal or personnel department.

Links to the Form 700 and Schedules

[Form 700](#) (Use through Dec. 31, 2016)

[Form 700 Reference Pamphlet](#) (Explains reporting requirements)

[Form 700 Excel Form](#)

[Form 700 FAQs](#)

For more information on the Form 700, [click here](#).

AB 1234 Ethics Training

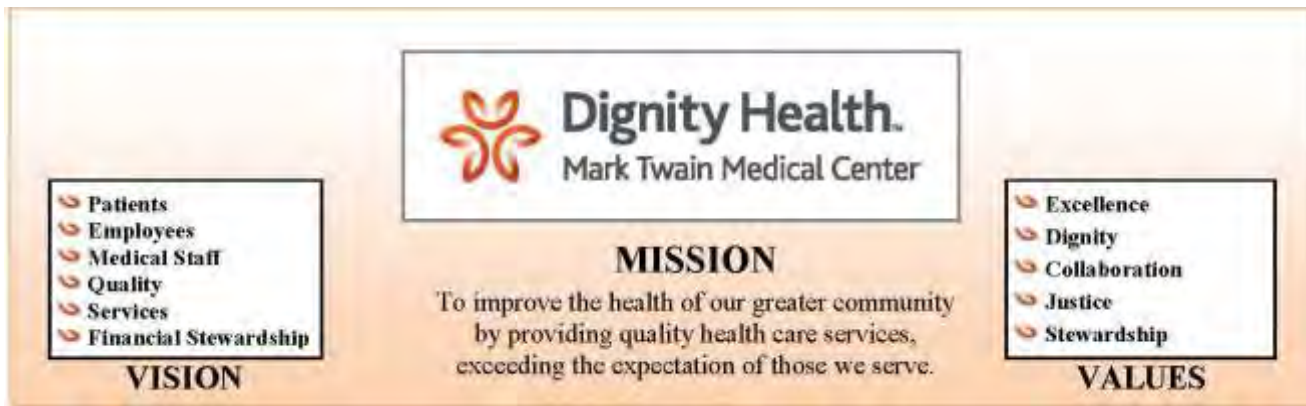
Many public officials are required to take an ethics training course to educate them on the ethical standards required of any individual who works in state or local government. Public officials may utilize free online courses available to satisfy this requirement. Please note that the state officials ethics course will not satisfy the local officials ethics course requirements and vice versa.

For Local Officials

Cities, counties and special districts in California are required by law ([AB 1234, Chapter 700, Stats. of 2005](#)), to provide ethics training to their local officials.

The law also provides that if an entity develops criteria for the ethics training required by AB 1234, the Fair Political Practices Commission and the Attorney General must be consulted regarding any proposed course content.

Several training options are available to your agency, including training conducted by ACHD during our Leadership Academy, by commercial organizations, nonprofits, or an agency's own legal counsel. In addition, an online training program has been established



CEO Highlights – September 2016

As seen in the CFO’s report, Mark Twain Medical Center **exceeded budget** for August, and is pacing nicely thus far in year-to-date performance for FY2017. Departments are now consistently **hitting (or exceeding) productivity** expectations.

In the **Clinics**, several changes are in process. All-day **lab draws** have been reintroduced, along with a series of newspaper ads saying, “We Heard You,” and thanking the public for their input after the lab draw hours were reduced earlier this summer. Several Clinic providers were selected to participate in a **pilot program** to accommodate more patient visits per day, reduce the wait time backlog on new appointments, and minimize the number of walk-in patients that are turned away. These providers helped identify barriers and experiment with new workflows, and ultimately saw their efforts result in an increase in visits and positive patient feedback. During September and early October the learnings from the pilot group will be implemented with a second cohort and eventually spread to the entire team of providers.

The MTMC Administration Team conducted a mini **strategic retreat** to revisit the present hospital strategic plan. Among other topics the group reached a unanimous decision to re-engage development of the proposed **Angels Camp clinic**. These plans, established earlier with Dignity corporate finance, are actionable independent of the timing of lease renewal conversations between Dignity Health and the Mark Twain Healthcare District. Staff conducted an initial meeting with Aspen Street Architects to revisit the scope and timeline, and engaged the corporate real estate teams that will help navigate next steps.

The philanthropy foundation conducted its 9th Annual **Doris Barger Golf Outing**, the most successful to date in terms of dollars raised. This was the first event since the recent passing of Doris Barger, and many in attendance shared recollections and words of praise for this generous and passionate donor. In the comments session that evening, news of the plans for the proposed Angels Camp clinic were shared and briefly reviewed. Later this summer, MTMC will say farewell and thank you to **Peggy Lucas**, as she embarks upon her retirement. Since she was selected in 2006 to lead fundraising efforts at MTMC, Peggy has conducted successful campaigns including CT Scanner, Digital Mammography, and nearly \$3 million toward the Angels Camp Clinic.

We continue to screen, interview and vet **physician candidates** for potential Family Medicine/Internal Medicine, and Gastroenterology. Early candidates who have successfully completed phone interviews are being scheduled for site visits and community tours, starting in October/November.

The Administration Team and members of the Board and Medical Staff conducted interviews of physician candidates for the role of **Chief Medical Officer**. I will make a final selection based on the feedback from the interview panelists, and

move toward a formal offer. By next month's report I plan to announce the expected start date and share a bit about the candidate's background.

Calaveras County had another wildfire event with this month's **Willow Fire**. Although contained fairly quickly, it provided a reminder of the dangers of fire season and gave an opportunity for MTMC to implement and practice some of the lessons learned from last year's Butte Fire. For example, the hospital's Engineers and Disaster Preparedness teams immediately restricted the air venting system to minimize outside air being drawn into the HVAC, and checked all filters. Indoor air quality, which had been a major challenge last year, was maintained at a high level.

Opinion of Probable Costs

Key Project Data Information	Total Project	Site	Building	Other Costs non-grant related	ACTUAL SPEND	OVER/(UNDER)
Square Footage Totals	19,800	147,222	19,800			
Direct Construction Cost per SQFT	248	3.74	220			
Total Construction Cost per SQFT	276	4.14	245			
Total Project Cost per SQFT (including Financing)	\$ 350	\$ 7.18	\$ 297			
Direct Construction Cost						
Direct Construction Cost	\$ 4,856,555	\$ 500,555	\$ 4,356,000			\$ (4,856,555)
Monument Signs	\$ 50,000	\$ 50,000	\$ -			\$ (50,000)
	\$ -	\$ -	\$ -			\$ -
Total Direct Construction Cost	\$ 4,906,555	\$ 550,555	\$ 4,356,000	\$ -	\$ -	\$ (4,906,555)
In-Direct Construction Cost						
Labor/Material & Performance Bonds (1.5%)	\$ 73,598	\$ 8,258	\$ 65,340			\$ (73,598)
	\$ -	\$ -	\$ -			\$ -
	\$ -	\$ -	\$ -			\$ -
Total In-Direct Construction Cost	\$ 73,598	\$ 8,258	\$ 65,340	\$ -	\$ -	\$ (73,598)
Construction Contingencies / Escalation						
Building Contingency	\$ 485,655	\$ 50,055	\$ 435,600		\$ 69,120	\$ (416,535)
	\$ -	\$ -	\$ -			\$ -
Total Construction Contingencies / Escalation	\$ 485,655	\$ 50,055	\$ 435,600		\$ 69,120	\$ (416,535)
Total Construction Budget	\$ 5,465,809	\$ 608,869	\$ 4,856,940	\$ -	\$ 69,120	\$ (5,396,689)
Equipment Budget						
Group I - Fixed Medical Equipment	\$ -					
Group II - Major Movable Medical Equipment	\$ -					
Group III - Minor Movable Medical Equipment	\$ -					
Group IV- Instruments (relocation of med dispensers)	\$ -					
Food Service Equipment	\$ -					
Furniture Fixtures and Equipment Allowance	\$ -			\$ 700,000		\$ (700,000)
Graphic / Signage / Artwork / Plants	\$ -					
Nursecall & Code Blue Systems	\$ -					
Intercom/Public Address/Fixed AV	\$ -					
Radio Systems	\$ -					
Dictation Systems	\$ -					
Security/Video Surveillance/Access Control	\$ -					
Television	\$ -					
Structured Cabling / IT Allowance	\$ -			\$ 500,000		\$ (500,000)
PBX -Telecom (includes VM)	\$ -					
Desktop Devices (Desktops, Laptops, Handhelds & Printers)	\$ -					
Network Electronics	\$ -					
Software Applications (Installation, Licenses etc.)	\$ -					
Time & Attendance	\$ -					
IT Construction Project Mgmt	\$ -					
IT Construction 3rd Party Resources	\$ -					
Other Equipment Costs	\$ -					
Total Equipment Budget	\$ -	\$ -	\$ -	\$ 1,200,000	\$ -	\$ (1,200,000)
Consultant Fees						
Architect/Engineer Fees	\$ 370,429	\$ 30,443	\$ 339,986		\$ 144,775	\$ (225,654)
Equipment Planner Fees	\$ -	\$ -	\$ -			\$ -
Other Consultant Fees	\$ -	\$ -	\$ -		\$ 4,175	\$ 4,175
Total Consultant Fees Budget	\$ 370,429	\$ 30,443	\$ 339,986	\$ -	\$ 148,950	\$ (221,479)
Administrative Costs						
Permit Fees & Hook ups	\$ 410,000	\$ 260,000	\$ 150,000		\$ 7,034	\$ (402,966)
IOR/Special Inspections	\$ -					
Site Survey, Testing, Boring & Reports	\$ 67,500	\$ 27,500	\$ 40,000		\$ 14,750	\$ (52,750)
Testing Services	\$ 40,000		\$ 40,000			
Legal Fees	\$ 30,000	\$ 10,000	\$ 20,000		\$ 15,551	\$ (14,449)
Move-in Start-up	\$ -				tbd	
Internal Project Management	\$ -					
3rd Party Project Management	\$ 45,000	\$ 5,000	\$ 40,000			\$ (45,000)
Other Administrative Costs (includes Commissioning, Auditing, EIR)	\$ -					
Total Administrative Cost	\$ 592,500	\$ 302,500	\$ 290,000	\$ -	\$ 37,335	\$ (515,165)
Land & Site Development						
Land Acquisition	\$ -	tbd		\$ 890,000	\$ 903,112	\$ 13,112
Off Site Development	\$ -					
Total Land & Site Development Budget	\$ -	\$ -	\$ -	\$ 890,000	\$ 903,112	\$ 13,112
Total (Construction+ Equipment + A/E Fees+ Admin Costs)	\$ 6,428,738	\$ 941,812	\$ 5,486,926	\$ 2,090,000	\$ 1,158,517	\$ (7,320,220)
Owner Reserves						
Owner's Contingency	\$ 368,527	\$ 94,181	\$ 274,346			\$ (368,527)
Project Escalation - other than construction	\$ -	\$ -	\$ -			\$ -
Total Owner Reserves	\$ 368,527	\$ 94,181	\$ 274,346	\$ -	\$ -	\$ (368,527)
Total Project Capital Cost excluding Financing	\$ 6,797,265	\$ 1,035,993	\$ 5,761,272	\$ 2,090,000	\$ 1,158,517	\$ (7,688,748)
Financing Costs (Final)	135,945	20,720	115,225		\$ 15,730	(120,215)
Total Project Capital Cost including Financing	\$ 6,933,211	\$ 1,056,713	\$ 5,876,498	\$ 2,090,000	\$ 1,174,247	\$ (7,808,963)

Mark Twain Healthcare District
 Valley Springs clinic project
 Vendor payments by OPC Category
 As of 9-14-16

Row Labels	Sum of Amount	OPC Category
Air Permitting Specialists	3,200	Site Survey, Testing, Boring & Reports
Aspen Street Architects	125,855	Architect/Engineer Fees
Calaveras County Planning Department	5,806	Permit Fees & Hook ups
CCWD	1,003	Permit Fees & Hook ups
CSU Stanislaus	225	Permit Fees & Hook ups
First American Title Company	903,112	Land Acquisition
Hendrickson Consulting	15,730	Financing Cost
Kittelson & Associates	18,920	Architect/Engineer Fees
Kleinfelder	9,300	Site Survey, Testing, Boring & Reports
Meyers Nave	15,551	Legal Fees
Michael W. Skenfield	4,175	Other Consultant
Van Lieshout, Patrick	69,120	Building Contingency
Wiebe Land Surveying	2,250	Site Survey, Testing, Boring & Reports
Grand Total	1,174,247	

P.O. Box 95
San Andreas, CA 95249
(209) 754-4468 Telephone
(209) 754-2537 Fax



Mark Twain Health Care District

August 24, 2016

Mark Twain Medical Center Corp. Board
768 Mt. Ranch Road
San Andreas, CA 95249

Attn: Dr. William Griffin, Chairman

Dear Dr. Griffin,

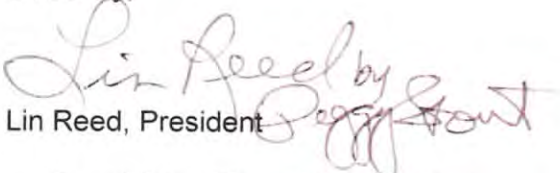
The Mark Twain Health Care District (MTHCD) is pleased to inform you that we have successfully completed our planning process with the County of Calaveras regarding the Valley Springs Properties. We are now beginning the lot line adjustments for the properties and creating the initial bid documents for the building of the Valley Springs Medical Clinic.

A critical step in our efforts to complete the Valley Springs Medical Clinic is the creation of a lease between the MTHCD and the Mark Twain Medical Center. We have addressed this issue in previous communications and have been pleased to understand your ongoing support of this process.

In order to begin the creation of a formal lease between the MTHCD and the MTMC for the Valley Springs Medical Clinic we wanted to give you some initial cost. After much discussion with your staff we are looking at a 13,000 sq. ft. building with a proposed lease rate of \$2.35 per sq. ft.

Please understand that your continued commitment to lease this eagerly awaited health care facility is essential to our funding. We will need from the Mark Twain Medical Center Corp. Board a document that you are prepared to enter into this lease agreement recognizing that the final terms are to be determined.

Sincerely,


Lin Reed, President

cc: Gary Hicks, Financial Consultant
Mike Dean, General Council

Mark Twain HealthCare District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.