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26 OCT 2016 PM 9 L



Peggy Stout
PO Box 95
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95249

THANK YOU

Peggy~

Thank you so much for choosing me as the recipient for the scholarship. The iPad has already been immensely useful for my classes. While college has been challenging so far, I feel fortunate to be able to pursue a higher education. I cannot wait to see what UC Irvine has to offer me in the field of genetics.

Thank you,

Ashlan Hilden

From: Alyx Fairman [mailto:alyxfairman@gmail.com]
Sent: Monday, October 31, 2016 1:22 PM
To: pstout@marktwainhealthcaredistrict.org
Subject: Ipad scholarship

Dear Peggy,
Sorry to get this to you so late, but here is my dress below.
506A Surrey Ct, Murphys CA 95247

Thank you so much for your generous donation of an IPAD. I am looking forward to using it in class to take notes as well as to download books onto. I am attending Saint Mary's College of California and hope to major in Kinesiology. This semester I am taking classes in Psychology, English, History, and Spanish. So far everything is great, I have joined club soccer and intramural volleyball and am starting a job as a lifeguard at the campus pool. Again, I am very grateful to have had the opportunity to apply for your scholarship!

Thank you,

-Alyx Fairman

Hi Peggy,

I received the iPad today. Thank you again!

Sincerely,

Breanna Brumet

Sent from my iPhone

On Oct 19, 2016, at 2:31 PM, Peggy Stout <pstout@marktwainhealthcaredistrict.org> wrote:

Good Afternoon,

It is with pleasure I sent your iPad out Fri. Oct. 14, 2016 by FedEx.

Please let me know when you receive it.

Wishing you every success.

Peggy Stout
Administrative Assistant
Mark Twain Health Care District
P O Box 95
San Andreas, CA 95249
pstout@marktwainhealthcaredistrict.org
(209) 754-4468

From: Peggy Stout [<mailto:pstout@marktwainhealthcaredistrict.org>]

Sent: Wednesday, September 07, 2016 12:53 PM

Subject: MTHCD Scholarship Requirements

Hello,

I'm sure you are finding your new school exciting and challenging.

It was our pleasure to present to you a certificate for an iPad.

Please send to either address (below) proof that you are attending a college as follows; a copy of your student ID card or an official registrar's letter from your school showing you are enrolled in at least 12 units for the Fall 2016 semester. I will also need a street address, not a post office box, to send the iPad to.

Once I have received your information I will order the iPad and have it sent to the street address you provide.

Again, congratulations and good luck in continuing your education.

**CALAVERAS
LOCAL AGENCY FORMATION COMMISSION
(LAFCo)**

**MARK TWAIN HEALTH CARE DISTRICT
(MTHCD)**

MUNICIPAL SERVICE REVIEW (MSR)

AND

SPHERE OF INFLUENCE (SOI)

December 2016

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1 INTRODUCTION

1.1 Role and Responsibility of LAFCO

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (“CKH Act”) (California Government Code §§56000 et seq.), is LAFCo’s governing law and outlines the requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of “discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (§56301).

CKH Act Section 56301 further establishes that

“one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

Based on that legislative charge, LAFCo serves as an arm of the State; preparing and reviewing studies and analyzing independent data to make informed, quasi-legislative decisions that guide the physical and economic development of the state (including agricultural uses) and the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses.

While SOIs are required to be updated every five years, they are not time-bound as planning tools by the statute, but are meant to address the “probable physical boundaries and service area of a local agency” (§56076). SOIs therefore guide both the near-term and long-term physical and economic development of local agencies their broader county area, and MSRs provide the near-term and long- term time-relevant data to inform LAFCo’s SOI determinations.

1.2 Purpose of a Municipal Service Review

As described above, MSRs are designed to equip LAFCo with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services.

The purpose of a Municipal Services Review (MSR) in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. The MSR is intended to provide information and analysis to support a sphere of influence update.

A written statement of the study's determinations must be made in the following areas:

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

The MSR is organized according to these determinations listed above. Information regarding each of the above issue areas is provided in this document.

1.3 Purpose of a Sphere Of Influence

In 1972, LAFCos were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, "sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission" (§56076). SOIs are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. Likewise, they are also designed to discourage urban sprawl and the premature conversion of agricultural and open space resources to urbanized uses.

The role of SOIs in guiding the State's growth and development was validated and strengthened in 2000 when the Legislature passed Assembly Bill ("AB") 2838 (Chapter 761, Statutes of 2000), which was the result of two years of labor by the Commission on Local Governance for the 21st Century, which traveled up and down the State taking testimony from a variety of local government stakeholders and assembled an extensive set of recommendations to the Legislature to strengthen the powers and tools of LAFCos to promote logical and orderly growth and development, and the efficient, cost-effective, and reliable delivery of public services to California's residents, businesses, landowners, and visitors.

The requirement for LAFCos to conduct MSRs was established by AB 2838 as an acknowledgment of the importance of SOIs and recognition that regular periodic updates of SOIs should be conducted on a five-year basis (§56425(g)) with the benefit of better information and data through MSRs (§56430(a)). A MSR is conducted prior to, or in conjunction with, the update of a SOI and provides the foundation for updating it. LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(c)):

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 an SOI 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.

2 COMMUNITY

2.1 Calaveras County Background

The Calaveras County population was 45,578 in 2010. The County Seat is San Andreas and Angels Camp is the only incorporated city. *Calaveras* is the Spanish word for skulls; the county was reportedly named for the remains of Native Americans discovered by the Spanish explorer Captain Gabriel Moraga. Calaveras County is located in both the gold Country and High Sierra regions of California.

Calaveras Big Trees State Park, a preserve of Giant Sequoia trees, is located in the County several miles east of the town of Arnold. Credit for the discovery of giant sequoias here is given to Augustus T. Dowd, a trapper who made the discovery in 1852 while tracking a bear. When the bark from the "Discovery Tree" was removed and taken on a tour around the world, the trees soon became a worldwide sensation and one of the county's first tourist attractions. The uncommon gold telluride mineral calaverite was discovered in the county in 1861 and is named for it.

Mark Twain set his story, "The Celebrated Jumping Frog of Calaveras County", in the County. The County hosts an annual fair and Jumping Frog Jubilee, featuring a frog-jumping contest, to celebrate the association with Twain's story. Each year's winner is commemorated with a brass plaque mounted in the sidewalk of downtown Historic Angels Camp and this feature is known as the Frog Hop of Fame. The California red-legged frog, feared extinct in the county by 1969, was rediscovered in 2003.

2.2 Calaveras County General Plan

The proposed General Plan describes Calaveras County as follows:

Calaveras County is one of the more rural counties in California with a population of 45,668 in a land area of 1020 square miles (663,478 acres.) This is roughly 0.07 persons per acre or almost 15 acres for every person in the county. The county's population is expected to grow to 54,912 by 2035, based on California Department of Finance estimates and projections in 2015, an increase of approximately 9000 people.

The county consists of a number of small, historic communities established primarily during the Gold Rush period of early California history, separated by large landholdings of agricultural land (primarily used for grazing) and timberland, interspersed with rural residential homes on larger acreage lots of five to twenty acres or more. There are several active and inactive mines in the county along with the recreational resources of several reservoirs, Stanislaus National Forest lands, and Calaveras Big Trees State Park. Approximately 21 percent of the land in the county is publicly owned.

Calaveras County's communities lie primarily along the historic routes of Highways 49 and 12. These include Mokelumne Hill, San Andreas, Valley Springs, and the incorporated city of Angels Camp. State Route 4 is the only trans-Sierra route in the County and along it lie Copperopolis, Murphys, and Arnold. Other smaller communities include Wallace and

Burson in the western end of the county, West Point, Wilseyville, and Mountain Ranch in the north-central part, and Avery and Dorrington on Highway 4. More detailed descriptions and history of these and other communities are included in the Community Planning Element of the General Plan.

The historic communities have been the centers of commerce and population for much of the County's history. In more recent decades, beginning in the 1960s and 1970s, manufacturing and resource-based jobs began to decline when the cement plant in San Andreas closed and the timber industry contracted. The economy has shifted in the past several decades to rely more on tourism and service industries, and residential home construction.

The growth rate for Calaveras County during the 1970s and 1980s was 4.3 percent. It increased to 4.4 percent during the 1990s but dropped to 2.6 percent from 2000 to 2007. During those decades a number of residential subdivisions were built near Valley Springs, Copperopolis, and along the Highway 4 corridor, while rural residential parcels were developed in large areas in the western, southern, and central parts of the county.

Many new residential projects were proposed and built leading up to the economic crisis of 2007-08, targeting housing for commuters to cities in the San Joaquin Valley and other nearby communities. Since the economic collapse new construction has been stagnant, with the County experiencing a population decline for several years. Current projections by the California Department of Finance show a growth rate of 0.2 percent.

The 1996 General Plan land use map accommodated this prior growth by identifying large areas of land designated "Future Single Family Residential" throughout the western and central portions of the county, and "Community Center" in areas around existing communities.

In addition, six Community Plans (Valley Springs, San Andreas, Mokelumne Hill, Murphys-Douglas Flat, Avery-Hathaway Pines, and Arnold) were adopted, along with two Special Plans (Rancho Calaveras and Ebbetts Pass.) In 2004, a specific plan was adopted for a large development project in the Copperopolis area, Oak Canyon Ranch.¹

The proposed General Plan shows the following goals for land use designations:

Land uses are widely distributed throughout the county. Higher density residential, commercial, and industrial uses follow the historical development pattern in and around the existing communities, where infrastructure and services are available. Areas around these communities have been designated to provide for expansion of

¹ Calaveras County, General Plan Land Use Element, Planning Commission Recommendation, November 5, 2015, Page-LU2.

commercial, industrial, and residential uses to take advantage of that infrastructure, and to reduce the costs of providing services to a more widely scattered population. Land use policies are intended to encourage development within and nearby existing communities, while maintaining their character and economic vitality. The plan does, however, provide ample opportunity for additional rural residential development, along with providing land to support a vibrant agricultural and timber economy.²

2.3 Calaveras County Population Growth

The following table shows the population growth in Calaveras County from 1920 to 2014. The population is expected to increase slowly in the future.

Population Change Calaveras County³	
Year	Population
1920	6,183
1930	6,008
1940	8,221
1950	9,902
1960	10,289
1970	13,585
1980	20,710
1990	31,998
2000	40,554
2010	45,578
2014	44,624 ⁴

Although the population of Calaveras County has decreased slightly since the 2010 census, it is expected to increase slowly in the future through growth in and adjacent to established communities.

² Calaveras County, General Plan Land Use Element, Planning Commission Recommendation November 5, 2015, Page-LU3.

³ Calaveras County, Housing Element, May 2015, Page 12.

⁴ US Census Bureau, [HTTP://WWW.CENSUS.GOV/QUICKFACTS/TABLE/PST045215/06009,00](http://www.census.gov/quickfacts/table/pst045215/06009,00), March 9, 2016.

2.4 Calaveras County Health Issues

Since this report deals with the Health Care District and health care facilities in Calaveras County, the following health issues noted by the Mark Twain Medical Center are noted as part of this background information.

Health Issues⁵

- *33% of Calaveras County students were overweight or obese in 2010, slightly lower than California overall at 38%.*
- *The percentage of adults with diabetes is 7.8% and 8.4% in the rest of the state.*
- *One-third of residents reported that they had been diagnosed with high blood pressure.*
- *19% of individuals in Calaveras County from ages 5 to 17 have a disability, compared to the state level of 10%.*
- *Limited services and service providers make it difficult to access mental health, obstetrical and specialty care services.*
- *The percentages of Calaveras County kindergartners with all required immunizations were 78% in 2012-2013 compared to the 90% state average.*
- *There is a lack of mental health services in the county.*
- *Suicides are increasing at 25.2% over the state average of 10.2% per 100,000 population.*

⁵ Mark Twain Medical Center Community Benefit Report FY2014 – Community Benefit Implementation Plan FY2015, Pages 11-12.

3 MARK TWAIN HEALTH CARE DISTRICT

3.1 History of Mark Twain Health Care District⁶

The Mark Twain Hospital District, a public agency, was formed by a vote of the people of Calaveras County in a special election held August 27th, 1946. The vote of the people was 1,702 in favor of formation and 111 voting against its formation. The political boundaries of the Mark Twain Hospital District comprised the entire County of Calaveras.

Hospital Districts were a product of the Health and Safety Code 32000, the “Local Hospital District Law.” In 1994 the State Legislature broadened the scope of activity of a Hospital District and renamed the statute to its current reference, Health Care District Law.

The focus of today’s health care district is to provide direct support and education for the health care needs of the communities served by the district. The Mark Twain Health Care District, as a public agency, is subject to the Brown Act and the Public Records Act.

In August 1951 the Mark Twain District hospital located in San Andreas was dedicated.

3.2 Contact Information for Mark Twain Health Care District

The contact information for the Mark Twain Health Care District is as follows:⁷

Mailing Address: Mark Twain Health Care District
PO Box 668, San Andreas, CA 95249

Phone: (209) 754-4468

Website: marktwainhealthdistrict.org

Administrator Name and Title: Sandy Haskins, Interim Executive Director⁸

3.3 Mark Twain Health Care District Governing Board

The meeting date, time and place for Governing Body is the fourth Wednesday of each month at 7:30 am at the Mark Twain Medical Center. The members of the Board of Directors are as follows:

Lin Reed , Chair
Ken McInturf, Treasurer
Ann Radford
Susan Atkinson
Randy Smart, M.D.

⁶ Mark Twain Health Care District, <http://marktwainhealthdistrict.org/about/>, August 17, 2016.

⁷ Calaveras LAFCo, Questionnaire, Mark Twain Health Care District, August 3, 2016.

⁸ http://www.calaverasenterprise.com/news/article_89b04cf4-6a50-11e6-91ab-635093dffabb.html, September 20, 2016.

3.4 Mark Twain Health Care District Mission Statement, Vision and Goals⁹

3.4.1 Mark Twain Health Care District Mission Statement

The Mission Statement for the Mark Twain Health Care District is as follows:

“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”.

3.4.2 Mark Twain Health Care District Vision Statement

The Vision Statement for the Mark Twain Health Care District is as follows:

The Mark Twain Health Care District (MTHCD), is a public agency which owns the Mark Twain Medical Center building and grounds, and leases its operations to Mark Twain Medical Center Corporation.

The Mark Twain Health Care District is dedicated to the health and wellbeing of the individuals and communities of Calaveras County. Establish and maintain identity of the MTHCD.

Accountability Communication Collaboration Education Stewardship Service--

*The cumulative effect of these values is the focus on **ACCESS** to health care in Calaveras County.*

*To support these values we have developed a series of **Goals** and **Objectives** that will assist the MTHCD board and community in monitoring our process and progress.*

3.4.3 Mark Twain Health Care District Goals

Goal #1

Mark Twain Medical Center is a high quality hospital serving all residents of Calaveras County.

- Partner with Mark Twain Medical Center and Dignity Health to optimize provider development through recruitment and retention.
- Review and evaluate the lease agreement with Mark Twain Medical Center Corporation.
- Execute a new lease with MTMC Corporation.

⁹ Mark Twain Health Care District, <http://marktwainhealthdistrict.org/about/mission-vision/>, August 17, 2016.

Goal #2

Collaborate with the Mark Twain Medical Center Foundation to establish it as the foundation of choice for health services in Calaveras County.

- Assist Fundraising for the new Angel's Camp and Valley Springs clinics.
- Identify new capital improvements for the Mark Twain Medical Center.
- Host community health education services.
- Golden Health Awards

Goal #3

Develop with Mark Twain Medical Center and The Dignity Health System decision criteria for the provision of comprehensive Medical/Health services

- Improve and implement the Regional Health needs assessment to identify specific areas of focus Calaveras County.
- Support and expand Telemedicine/Telehealth

Goal #4

Establish the public identity of the Mark Twain Health Care District.

- Publish annual report of the MTHCD for the community.
- Maintain highly functional web site that allows the community we serve to understand our services and meeting process.
- Increase over all visibility of the MTHCD through its activities throughout Calaveras County.
- Maintain Scholarship awards to motivate medical/health careers.

Goal #5

Support access to care

- Fund Health Fairs in multiple communities noting programs supported.
- Facilitate discussions about Community Education
- Promote medical clinics in multiple communities.
- Support safety net programs and services.
- Partner with Calaveras County Public Health Programs

Goal #6

Development and completion of Valley Springs Project.

- Complete Valley Springs Medical Center Project
- Access community needs for development of adjacent properties for future use.
- Establish business plan for management of this project

3.4.4 Mark Twain Health Care District Programs

The Mark Twain Health Care District supports the following programs: Health Fair, Respite Care, Pink in the Night, Education Forums, Golden Health Awards, Elder Abuse Awareness, High School Scholarships, and Chronic Disease Management Program of the Calaveras County Health and Human Service Agency in addition to the Mark Twain Medical Clinics and the Mark Twain Medical Center.

3.5 MTHCD Financial Information

3.5.1 Budget

The 2016-17 Budget for the Mark Twain Health Care District is shown below:

Mark Twain Health Care District Operating Budget July 2016 –June 2017		
Income		
550.10	Rental Revenue	319,345
550.20	Land Rental Revenue	5,777
550.30	MOB* Lease rent	226,600
560.10	District Tax Revenue	902,267
570.10	Interest Income	11,000
570.20	Other Miscellaneous Income	1,250
Total Income		1,466,239
Expense		
66000	Payroll Expense	24,000
710.00	Insurance	14,600
715.23	Legal Fees	50,000
715.24	Audit Fees	12,000
715.25	Management Consulting Fees	84,000
715.26	Operational Consulting Fees	30,000
720.64	Accounting Services	77,100
730.00	Utilities	631,600
731.00	Community Education /Marketing	20,000
734.00	MOB* Rent	222,774
740.86	Dues and Subscriptions	14,000
740.88	Travel, Meals/Lodging	7,500
740.00	Miscellaneous	7,000
Total Operating Expense		1,194,574
Operating Income before Programs and Events		271,665
716.00	Programs and Events	
716.01	Pink in the Night	10,000
716.02	Health Fair	20,000
716.03	Health Education Forum	3,000
716.07	Chronic Disease Program	25,000
716.08	Respite Care Program	7,000
716.09	Technology for Students	4,000
716.10	Miscellaneous	5,000
716.12	Golden Health Awards	47,500
716.13	Foundation Sponsorships	4,000
716.14	Community Sponsorships	15,000
716.15	Outpatient Telehealth	30,000
Total Programs and Events		170,500
Operating Income after Programs and Events		101,165
735.00	Depreciation and Amortization	39,885
TOTAL Operating Income		61,280

*MOB (Medical Office Building)

Since a separate nonprofit corporation operates the Mark Twain Medical Center, the budget for the Mark Twain Health Care District is relatively small.

3.5.2 Audit

A budget is a plan for spending but an audit examines funds actually spent and also shows liabilities and assets not shown in a budget. The Balance Sheet for the Mark Twain Health Care District is shown below, followed by the Statement of Change in Net Position and the Statement of Cash Flows.

Mark Twain Health Care District Balance Sheet June 30, 2015¹⁰		
	June 30, 2015	June 30, 2014
ASSETS		
Current assets		
Cash and cash equivalents	\$2,386,298	\$2,429,039
Other receivables	49,369	60,800
Prepaid expenses and deposits	7,031	14,018
Total current assets	2,442,698	2,503,857
Property and equipment		
Land	734,307	734,307
Land improvements	150,308	150,308
Buildings and improvements	4,560,258	4,478,938
Equipment	708,395	698,156
Construction in progress	73,199	43,179
	6,226,467	6,104,888
Less accumulated depreciation	(5,209,800)	(5,101,716)
	1,016,667	1,003,172
*Interest in Mark Twain Medical Center	19,828,531	19,773,286
Other assets	124,608	84,582
Total assets	23,412,504	23,364,897
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses	\$73,552	\$43,550
Accrued payroll and related liabilities	1,269	
Due to Mark Twain Medical Center	142,375	174,014
Total current liabilities	217,196	217,564
Unrestricted net position	23,195,308	23,147,333
Total liabilities and net position	23,412,504	23,364,897

- The District's interest is a result of the MTMC's Bylaws, which provide that upon windup or dissolution of the MTMC, any residual value (net assets greater than net liabilities) would be divided between the District and Dignity Health)

¹⁰ Audited Financial Statements MARK TWAIN HEALTH CARE DISTRICT, June 30, 2015, Prepared by JWT and Associates, LLP, 1111 East Herndon Avenue, Suite 211, Fresno, CA 93720, Voice: 559-431-7708, Fax: 559-431-7685, Email: rjctcpa@aol.com, Page 7.

Mark Twain Health Care District		
Statements of Revenues, Expenses and Changes in Net Position June 30, 2015¹¹		
	June 30, 2015	June 30, 2014
REVENUES		
*District taxes	864,924	804,018
Rental income	529,704	477,015
Interest and other income	11,544	9,036
Total revenues, gains and losses	1,406,172	1,290,069
EXPENSES		
Salaries, wages and administrative benefits	10,480	21,330
Professional fees	122,560	113,058
Programs and events	152,691	75,160
Tenant services	77,476	42,000
Medical office building rent**	209,985	204,880
Utilities and phone	598,074	626,777
Insurance	14,447	10,485
Repairs and maintenance	807	
Depreciation and amortization	109,212	124,961
Loss on disposal	46,012	
Other operating expenses	42,605	43,298
Total expenses	1,384,349	1,261,949
Excess of revenues over expenses	21,823	28,120
NONOPERATING REVENUES (EXPENSES)		
Debt financing costs	(29,093)	
Gain (loss) in interest Mark Twain Medical Center	55,245	669,164
Increase (decrease) in net position	47,975	697,284
Net position at the beginning of the year	23,147,333	22,450,049
Net position at the end of the year	23,195,308	23,147,333

*District tax Revenues: The District receives approximately 65% of its operating support from property taxes. These funds are used to support operations of the District. They are classified as operating revenue as the revenue is directly linked to the operations of the District. Property taxes are levied by the County on the District's behalf during the year, and are intended to help finance the District's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date.¹²

**During the year ended June 30, 2008, the District entered into a land and medical office building lease agreement with San Andreas Medical and Professional Office Building (SAMPO). The District leases land located at 704 Mountain Ranch Road in San Andreas to SAMPO at no cost due to the fact that the development of the property by SAMPO was deemed sufficient to offset any future lease payments. SAMPO built and owns the medical office building (MOB) located on the aforementioned land and then leases the MOB to the District. Lease expense for the years ended June 30, 2015 and 2014 regarding this agreement were \$209,985 and \$204,880 respectively. The District has subleased portions of the MOB to the Stockton Cardiology Medical Group and others, and to the Corporation. Lease revenues under the subleasing arrangements and other arrangements were \$213,888 and \$161,199 for the year ended June 30, 2015 and 2014, respectively.¹³

¹¹ Audited Financial Statements MARK TWAIN HEALTH CARE DISTRICT, June 30, 2015, Prepared by JWT and Associates, LLP, 1111 East Herndon Avenue, Suite 211, Fresno, CA 93720, Voice: 559-431-7708, Fax: 559-431-7685, Email: rjctcpa@aol.com, Page 8.

¹² Audited Financial Statements MARK TWAIN HEALTH CARE DISTRICT, June 30, 2015, Prepared by JWT and Associates, LLP, 1111 East Herndon Avenue, Suite 211, Fresno, CA 93720, Voice: 559-431-7708, Fax: 559-431-7685, Email: rjctcpa@aol.com, Page 12.

¹³ Audited Financial Statements MARK TWAIN HEALTH CARE DISTRICT, June 30, 2015, Prepared by JWT and Associates, LLP, 1111 East Herndon Avenue, Suite 211, Fresno, CA 93720, Voice: 559-431-7708, Fax: 559-431-7685, Email: rjctcpa@aol.com, Page 14.

Mark Twain Health Care District Statements of Cash Flows June 30, 2015¹⁴		
	June 30, 2015	June 30, 2014
Cash flows from operating activities		
Cash received from District taxes	860,045	893,301
Cash received from rental and other activities	448,443	408,403
Cash paid for administrative benefits	(9,211)	(21,330)
Cash paid for suppliers and outside vendors	(1,104,180)	(1,091,712)
Net cash provided by operating activities	195,097	188,662
Cash flows from financing and investing activities		
Purchases property/equipment, net of disposals	(113,474)	(34,378)
Debt financing costs	(29,093)	
Change in other assets	(95,271)	(58,535)
Net cash used in financing activities	(237,838)	(92,913)
Net increase in cash and cash equivalents	(42,741)	95,749
Cash and cash equivalents at beginning of year	2,429,039	2,333,290
Cash and cash equivalents at end of year*	\$2,386,298	\$2,429,039
Reconciliation: changes in net position to net cash by operating activities		
Excess of revenues over expenses	21,823	28,120
Adjustments to reconcile changes-net position to net cash by operating activities		
Depreciation and amortization	109,212	124,961
Loss on disposal	46,012	
Changes in operating assets and liabilities		
District tax and other receivables	11,431	85,273
Paid expenses	6,987	2,785
Accounts payable and accrued expenses	30,002	(20,839)
Accrued payroll and related liabilities	1,269	
Due to Mark twain Medical Center	(31,639)	(31,638)
Net cash provided by operating activities	\$195,097	\$188,662

*As of June 30, 2015 and 2014, the District had deposits invested in a bank of \$2,386,298 and \$2,429,039, respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code or federally insured.¹⁵

The first of the three tables shown above is the most important because it shows the value of the District's share of the Mark Twain Medical Center Corporation at \$19,828,531 and \$19,773,286 as of June 30, 2015 and 2014, respectively. This value is contingent as it reflects only a ½ interest in any residual value (net assets over net liabilities upon dissolution of the MTMC).

¹⁴ Audited Financial Statements MARK TWAIN HEALTH CARE DISTRICT, June 30, 2015, Prepared by JWT and Associates, LLP, 1111 East Herndon Avenue, Suite 211, Fresno, CA 93720, Voice: 559-431-7708, Fax: 559-431-7685, Email: rjctcpa@aol.com, Page 9.

¹⁵ Audited Financial Statements MARK TWAIN HEALTH CARE DISTRICT, June 30, 2015, Prepared by JWT and Associates, LLP, 1111 East Herndon Avenue, Suite 211, Fresno, CA 93720, Voice: 559-431-7708, Fax: 559-431-7685, Email: rjctcpa@aol.com, Page 13.

MARK TWAIN HEALTH CARE DISTRICT PROPERTY AND EQUIPMENT¹⁶				
	Balance 6-30-14	Transfers/ Additions	Dis- posals/ Retire- ments	Balance 6-30-15
Land/Improvements	884,614			884,614
Buildings/Improvements	4,478,938	81,320		4,560,258
Equipment	698,156	10,239		708,395
Construction in progress	43,180	76,032	(46,012)	*73,200
TOTAL HISTORICAL COST	6,104,888	167,591	(46,012)	6,226,467
Less accumulated depreciation for:				
Land and land improvements	(126,478)	(3,147)		(129,625)
Buildings and improvements	(4,306,483)	(96,139)		(4,402,622)
Equipment	(668,755)	(8,798)		(677,553)
TOTAL ACCUMULATED DEPRECIATION	(5,101,716)	(108,084)		(5,209,800)
TOTAL PROPERTY AND EQUIPMENT, NET	\$1,003,172	\$59,507	(\$46,012)	\$1,016,667

*As of June 30, 2015, the District has recorded \$73,200 as construction-in-progress representing cost capitalized towards the purchase of land and construction of a rural health care clinic in Valley Springs California. Future costs to complete this project as of June 30, 2015 is approximately \$8,870,000.¹⁷

On September 28, 2015, subsequent to the financial year end, the District signed a "letter of Condition" with the United States Department of Agriculture (USDA) which therefore allows the District to continue in the process of finalizing the issuance of \$6,782,000 of debt borrowing for the USDA Rural Development's Community Facilities program. The proceeds from this forthcoming borrowing will be used to fund the construction of a new rural health care clinic in Valley Springs, California. Additional funding will be obtained from District operations (\$961,146) and from Mark Twain Medical Center (\$1,200,000) for a total project cost of \$8,943,146. The District's management anticipates issuance of this loan during Fiscal Year 2015-2016.¹⁸

¹⁶ Audited Financial Statements MARK TWAIN HEALTH CARE DISTRICT, June 30, 2015, Prepared by JWT and Associates, LLP, 1111 East Herndon Avenue, Suite 211, Fresno, CA 93720, Voice: 559-431-7708, Fax: 559-431-7685, Email: rjctcpa@aol.com, Page 15.

¹⁷ Audited Financial Statements MARK TWAIN HEALTH CARE DISTRICT, June 30, 2015, Prepared by JWT and Associates, LLP, 1111 East Herndon Avenue, Suite 211, Fresno, CA 93720, Voice: 559-431-7708, Fax: 559-431-7685, Email: rjctcpa@aol.com, Page 16.

¹⁸ Audited Financial Statements MARK TWAIN HEALTH CARE DISTRICT, June 30, 2015, Prepared by JWT and Associates, LLP, 1111 East Herndon Avenue, Suite 211, Fresno, CA 93720, Voice: 559-431-7708, Fax: 559-431-7685, Email: rjctcpa@aol.com, Page 16.

3.6 Mark Twain Medical Center (MTMC)

3.6.1 *History of Mark Twain Medical Center*¹⁹

Discussions with the St Joseph's Medical Center in Stockton began in February 1986. An Affiliation Study Summary was developed in August 1986. The Sierra St. Joseph's HealthCare Corporation Board of Trustees was formed and the first meeting was on March 11, 1987. The above name was changed to Mark Twain St. Joseph's HealthCare Corporation and the first Articles of Incorporation were filed on March 18, 1987.

The Mark Twain Health Care District leases the land and buildings to the Mark Twain St. Joseph's HealthCare Corporation. This lease was effective January 1, 1990. The Mark Twain St. Joseph's HealthCare Corporation entered into a Management Agreement with Catholic Healthcare West effective September 20, 2001. Catholic Healthcare West changed its corporate name to Dignity Health in 2012. This management agreement expires December 31, 2019. Mark Twain St Joseph's Hospital Corporation changed its name to Mark Twain Medical Center in January 2013.

3.6.2 *Operation of Mark Twain Medical Center*

The Mark Twain Medical Center is operated by the Mark Twain Medical Center (MMTC), a separate 501c3 (nonprofit) corporation with a seven member Board of Directors composed as follows:

Two members are appointed by the Mark Twain Health Care District Board of Directors.

One community member to be appointed by the two members appointed by the Mark Twain Health Care District Board of Directors

One member is the Chief of Medicine at the Mark Twain Medical Center, an independent medical contractor. The MTMC bylaws provide that the chief of Medical Staff is *ex officio* as a member of the MTMC board.

Three members from Dignity Health per MMTC policy. As a matter of Dignity board policy, Dignity appears to appoint its own employees to the MTMC board, with at least one residing in the County.

MTMC exists by reason of its articles of incorporation and does not have a contract with Dignity. Since MTMC was created specifically to be the lessee of the lease of the hospital from the District, one presumes that upon termination of the lease MTMC would dissolve as its primary purpose would have been fulfilled notwithstanding an amendment to its articles and bylaws.

3.6.3 *Mission, Vision and Values for Mark Twain Medical Center*²⁰

A. Mark Twain Medical Center Mission

¹⁹ Mark Twain Health Care District, <http://marktwainhealthdistrict.org/about/>, August 17, 2016.

²⁰ <http://www.dignityhealth.org/marktwainmedical/community-benefits/community-benefit-215-and-2016-plan>, September 5, 2016.

The Mission Statement for the Mark Twain Medical Center is as follows:

The mission of Mark Twain Medical Center is to improve the health of our greater community by providing quality health care services, exceeding the expectations of those we serve.

B. Mark Twain Medical Center Vision

The Vision Statement for the Mark Twain Medical Center is as follows:

To become one of the top 100 Critical Access Hospitals in the country through the achievement of our Pillars of Excellence.

C. Mark Twain Medical Center Values

The Values for the Mark Twain Medical Center are as follows:

We achieve the mission through our core values of dignity, collaboration, justice, stewardship and excellence, as are seen in the following principles:

1. *Continuous improvement of the quality of care delivered*
2. *Access to care for all*
3. *Respect for the individual*
4. *Working with others towards common goals*
5. *Fostering a sense of family and community*
6. *Employee development and recognition*

3.6.4 Mark Twain Medical Center Facilities and Programs²¹

The following description of Mark Twain Medical Center facilities and programs is provided in the annual report:

Mark Twain Medical Center (MTMC), founded in 1951, is located at 768 Mountain Ranch Road, San Andreas, CA. It became a member of Dignity Health, formerly Catholic Healthcare West (CHW), in 1996. The facility is a not-for-profit, 25-bed Critical Access Hospital serving all of Calaveras County, California. Over 300 employees provide the necessary services.

The hospital's services include 24-hour Emergency Services; Inpatient/Outpatient Surgery; Intensive Care Unit; Medical and Surgical Units; General X-ray, Ultrasound, Mammography, CT Scan, MRI and Nuclear Medicine; Respiratory Therapy Services; Cancer/Infusion Center; Orthopedic Center, Gastroenterology Center, Physical Therapy Services; Inpatient Skilled Rehabilitation; Full Service Clinical Lab; Cardiac & Pulmonary Rehabilitation; and Health Education.

²¹ Mark Twain Medical Center Community Benefit Report FY2014 – Community Benefit Implementation Plan FY2015, pages 4-5.

The hospital's affiliated medical staff provide Family Practice, Allergy, Alternative Medicine, Hematology, Internal Medicine, Pathology, Psychology, Pediatrics, Gastroenterology, Gynecology, Orthopedic Surgery, General Surgery, Oncology, Ophthalmology, Orthopedic Surgery, Urology, Podiatry, Allergy, Behavioral Health, Dermatology, Radiology, Anesthesiology, Neurology, Pain Management, Emergency Medicine, Cosmetic and Reconstructive Surgery, Cardiology and Pulmonary Medicine.

Access to care in the County is further supported by five MTMC'S Medical Centers located in Arnold, Angels Camp, Copperopolis, San Andreas, and Valley Springs. Services at these Ambulatory Centers include Immediate Care, Primary Care, Behavioral Health, Occupational Health, Pediatrics, General X-ray, Laboratory Draws and Health Education. Additionally, MTMC now also operates three Specialty Care Centers: in Angels Camp for Orthopedics and in San Andreas on the Medical Center campus for Cancer and Infusion Therapy, and Gastroenterology Specialty Care.

In the rural environment of our community, small business, agencies and the hospital partner to provide various events throughout the year that are focused on promoting the health of the community, enhancing quality of life for the residents and showcasing the unique history and natural wonders of our environment. Based on the prioritized health need of the community, a specific focus has been on Women's Health issues and primary care and prevention.

A Community Needs Assessment was conducted in 2014 in support of our stated mission - to improve the health of our greater community. The goal of the assessment is to continually improve the quality of health and health care for county residents by providing accurate and reliable information to community members and health care providers; raising awareness of health needs, changing trends, emerging issues, and community challenges; and providing research-based data for the hospital and the community to continue strategic planning efforts. The focus of the assessment is on health and the major factors that impact health such as the economy, public safety and the natural environment. Compared to the state and the nation, community issues identified in the assessment include a higher percentage of children in Calaveras County who are obese, rates of child immunizations are lower, and a motor vehicle accidents that are higher than the state averages.

To address two of the more prevalent chronic care needs of the community, MTMC will continue to focus on providing education and instruction for the Congestive Heart Failure/Chronic Obstructive Pulmonary Disease and Diabetes Education programs. The goal of these programs is to improve quality of life for participants by increasing their self-efficacy and avoiding hospital admissions.

During fiscal year 2014, there were over 29,000 person-visits that benefited from our community health programs. Highlights included

\$8,294,510 net benefit for programs and services for the vulnerable and \$435,191 for the broader community. The total value of community benefit for FY2014 is \$8,728.591 at cost. Including the shortfall from Medicare, the total expense for community benefits was \$16,675,635. Quantifiable Benefits included traditional charity care, unpaid costs of Medi-Cal and Medicare, community service donations, community health services and education, and community building activities.

3.6.5 Future of Mark Twain Medical Center

On December 31, 2019, the thirty year lease with the Mark Twain Medical Center expires. Discussions are being held to create a new lease. Any lease agreement will have to be approved by a vote of the electorate of Calaveras County as required by California State Law.

The following is part of a discussion reported on March 24, 2016:

if no new contract is signed by the current contract's expiration date, any net assets of the Mark Twain Medical Center Corporation, which Executive Director Doss said are currently valued at \$37 million, would be divided equally between the Mark Twain Health Care District and Dignity Health, the Mark Twain Medical Center corporate board would dissolve and the health care district would then be charged with running the hospital.²²

Carl Gerlach, a health care consultant hired by the District, gave a presentation in which he estimated the cost of operating the Mark Twain Medical Center in its first independent year.

"That's just informational background, there's no decision to do that, it just informs any possible decisions," Executive Director Doss said of potentially running the hospital independently.

Health Care Consultant Gerlach said that with the estimated \$1.2 million in the Health Care District reserve fund and the half of the approximate \$37 million of the Mark Twain Medical Center Corporation's net assets, minus a cash reserve, the District would have \$11.3 million to fund the hospital independently for the first year. But with expenditures of physician and management recruiting, information systems and new policies totaling \$9.1 million, with a contingency between \$1 million and 1.8 million, the budget may be stretched thin.

"I suspect they're pretty close," Executive Director Doss said of Gerlach's approximations. Gerlach compiled the data based off of other hospitals that previously had a lease with Dignity Health but didn't reach new agreements. "I think his numbers show that independence is possible, but not without some careful planning."

²² http://www.calaverasenterprise.com/news/article_dfc66044-f217-11e5-ab74-3731292c87bf.html, September 5, 2016.

Health Care Consultant Gerlach's report did not include the money annually paid to Dignity Health by the Mark Twain Medical Center Corporation, which would essentially be saved.

"He may end up doing another report for us later on about that," said Executive Director Doss.²³

Discussion of the lease with Dignity Health was continued on August 24, 2016 as follows:²⁴

Mark Twain Health Care District directors Wednesday decided to continue exploring two different possible future paths for Mark Twain Medical Center: One in which they negotiate a new long-term lease with hospital operator Dignity Health, and another in which the district operates the 25-bed hospital independently.

The Board considered a proposal by Quorum Health to assess the finances, operations and staffing of the hospital and provide a report on the viability of operating it independently. But health district Executive Director Daymon Doss and board members said they'd like to see changes first in the contract, including the price.

Quorum's proposal set a \$175,000 fee. But Doss said he believes the work can be done for less, especially considering that the district has previously contracted for other reports that contain some of the relevant information.

Doss said that other details should also be changed, including provisions that would require arbitration of any disputes to take place in Tennessee, where Quorum is based, and that let Quorum off the hook for meeting a deadline. Doss said it is realistic to require the work to be done in 60-to-90 days.

The board voted unanimously to direct Doss and legal counsel Mike Dean to negotiate changes to the contract and bring it back for consideration at the board's next regular meeting on Aug. 24.

The taxpayer-funded district owns the hospital in San Andreas but leases it to Dignity Health under the terms of a 30-year agreement that expires at the end of 2019. If the two entities decide to go separate ways then the district gets to keep the hospital and the two split any remaining value in the hospital operations. Both board members and members of the audience at Wednesday's meeting say they see an ominous trend in hospital finances.

"What I am concerned about is the performance of the hospital," said Dr. Randy Smart, a member of the Health Care District Board of Directors. "This shows that over the past year, this Board and the hospital lost \$2.8 million. I don't understand why we have poor financial performance."

²³ http://www.calaverasenterprise.com/news/article_dfc66044-f217-11e5-ab74-3731292c87bf.html, September 5, 2016.

²⁴ http://www.calaverasenterprise.com/news/article_3cb66580-5aa3-11e6-90b2-ebb9084f6dc5.html, September 20, 2016.

The report said, “Year to date, (the district’s) minority interest in Mark Twain Medical Center has decreased by \$2,837,242, which is the district share of the \$5,674,544 of losses from operations and investments of the medical center. This is a 14 percent decrease in the district’s minority interest for the year.”

“We are seeing the loss statement increase,” Jones said of the district’s interest in the hospital’s finances. “We are concerned that at the end of 2019, there won’t be anything left.”

The situation is complex. The health care district owns the land and leases the hospital to Dignity Health. But Mark Twain Medical Center Corporation, which also has a board, is the local Dignity Health affiliate that operates the hospital. Two members of the health care district board also sit on the Mark Twain Medical Center Corporation board.

Smart asked those board members for an explanation of the hospital’s poor financial performance.

Ken McInturf, who serves on both boards, said, “We feel we are being over-assessed for technology,” referring to charges Dignity Health bills to the Mark Twain Medical Center Corporation.

Lin Reed, who is also on both boards, said, “The corporate allocations have increased. We also have lower performance in the clinics.”

That was confirmed by Chris Roberts, the chief financial officer for Mark Twain Medical Center, who was also present at the meeting. “The nine clinics out there, each of them is contributing losses to the hospital,” he said.

Smart said that Mark Twain Medical Center has every opportunity to do better. “There is no other hospital in Calaveras County and our market share (for medical services) is 30 percent. I totally don’t understand that.”

McInturf agreed. “We are losing money in the clinics and we shouldn’t be.”

Bob Diehl, who just began working as the Mark Twain Medical Center president this summer, said later in the meeting that he and other managers are addressing productivity issues. In some cases, that means that the hospital was paying for more staff than needed given patient loads on particular days in particular departments or clinics. “We are overhauling the way clinics work on a fiscal basis,” he said.

Diehl also said in an interview after the meeting that Mark Twain Medical Center, like hospitals across the nation, was squeezed in the past year by changes brought on by the Affordable Care Act.

Firman Brown of Angels Camp, who ran unsuccessfully for the health care district board earlier this year, said the clinics’ problems have local roots. “These clinics are dropping because you are not listening to the public.”

Jones said the Mark Twain Medical Clinics are so slow to process information when patients check in that he finds it faster to drive his four

children to appointments in Tuolumne County. “I can get in and out much quicker.”

Meanwhile, health care district directors could soon have even more options to consider for the future of the hospital. An exclusivity and nondisclosure agreement between the district and Mark Twain Medical Center expires on Aug. 8, Doss said. After that, the district will be free to seek other entities besides Dignity Health as prospective managers for the hospital.²⁵

3.7 Mark Twain Medical Center Foundation²⁶

3.7.1 History of Mark Twain Medical Center Foundation

Most community hospitals have a volunteer foundation to help raise funds for the hospital and the Mark Twain Medical Center is no exception. The Mark Twain Medical Center Foundation is a non-profit fundraising organization created by a caring community to help support its local hospital. In 1982, a concerned and dedicated Calaveras County community recognized the need and started organizing the first Hospital Foundation. In 1984, it became a reality and within two years, the Foundation raised funds to purchase and install the first mammography equipment in Calaveras County. Since then, the Foundation has been instrumental in acquiring various equipment, updating patient care rooms, and donating several million dollars to the expansion of the Hospital. They are currently completing a \$2.3 million campaign to fund the new Angels Camp Medical Center.

3.7.2 Mark Twain Medical Center Foundation Staff and Directors

The Mark Twain Medical Center Foundation staff and directors are shown below:²⁷

Foundation President: Greg Jordan of Angels Camp

Foundation Secretary / Treasurer:

Dr. Andrea Sullivan of Bear Valley, RDH, DC, CCSP

Foundation Directors

1. Larry Cornish of Murphys
2. Janet Cuslidge of Angels Camp
3. Matthew Hatcher of Murphys
4. Ruth Huffman of Angels Camp
5. Sal LoFranco of Angels Camp
6. John I. Maurer, M.D., of Angels Camp
7. Ken McInturf of San Andreas
8. Brad Ostrov of Angels Camp

Foundation Executive Director:

Peggy H. Lucas Phone: 209.754.2603
768 Mountain Ranch Road, San Andreas, CA 95249

²⁵ Clarification of the facts may be in order contained in this article. LAFCo has not independently verified the facts contained in the discussion of August 24, 2016 as reported in the Calaveras Enterprise.

²⁶ Mark Twain Health Care District, <http://marktwainhealthdistrict.org/wp-content/uploads/2012/08/MTHCD-Annual-Report-2015.pdf>, August 17, 2016.

²⁷ <https://www.supportmarktwain.org/about-us/foundation-board-of-directors>, September 5, 2016.

4 MARK TWAIN HEALTH CARE DISTRICT MUNICIPAL SERVICE REVIEW

4.1 Growth and Population Projections for the Mark Twain Health Care District Area²⁸

Purpose: To evaluate service needs based on existing and anticipated growth patterns and population projections.

4.1.1 Mark Twain Health Care District Area Population Projections

Slow growth is expected for Calaveras County with the population remaining about 45,000. The population in Calaveras County is older than the State of California with 25.9 % over 65 in Calaveras County compared with 13.3 % over 65 for the State as a whole. The County also has a greater percentage of people under age 65 with a disability (14.1%) compared to the State (6.7%).²⁹

The population is spread out between 17 census designated places and the City of Angels Camp.

4.1.2 MSR Determinations on Growth and Population Projections for the Mark Twain Health Care District Area

- 1-1) Population growth is expected to be slow in Calaveras County.

4.2 Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) within or Contiguous to Mark Twain Health Care District³⁰

Purpose: To comply with the State Law to examine any unincorporated areas which could be provided with better services by annexing to an adjacent city.

4.2.1 Determination of Mark Twain Health Care District Area Disadvantaged Unincorporated Community Status

SB 244 requires LAFCOs to consider disadvantaged unincorporated communities when developing spheres of influence. Upon the next update of a sphere of influence on or after July 1, 2012, SB 244 requires LAFCo to include in an MSR (in preparation of a sphere of influence update):

- 1) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere; and
- 2) The present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies including needs or deficiencies

²⁸ California Government Code Section 56430. (a) (1)

²⁹ <http://www.census.gov/quickfacts/table/PST045215/06009.06>, September 20, 2016.

³⁰ California Government Code Section 56430. (a) (2)

related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated community within or contiguous to the sphere of influence.

In determining spheres of influence, SB 244 authorizes LAFCo to assess the feasibility of and recommend reorganization and consolidation of local agencies to further orderly development and improve the efficiency and affordability of infrastructure and service delivery.

The Median Household Income for Calaveras County is \$54,936. The Median Household Income for California is \$61,489. The Calaveras Median Household Income, while lower than the State as a whole, is higher than 80% of the State Median Income (\$49,191).³¹

4.2.2 MSR Determinations on Disadvantaged Unincorporated Communities near Mark Twain Health Care District

- 2-1) It is not necessary to make a determination on DUC status because the Mark Twain Health Care District does not supply sewer, water or fire protection services.

4.3 Capacity and Infrastructure

Purpose: To evaluate the 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.³²

4.3.1 Infrastructure

The Mark Twain Health Care District one hundred percent of the Mark Twain Medical Center and leases part of the San Andreas Medical and Professional Office Building (SAMPO). The infrastructure by itself is not useful without the contract for services. The District is in the process of negotiating a new contract for operation of the Mark Twain Medical Center and the new contract will have to be approved by the voters of the District.

4.3.2 MSR Determinations on Infrastructure for Mark Twain Health Care District

- 3-1) The District is in the process of negotiating a new contract for operation of the Mark Twain Medical Center and the new contract will have to be approved by the voters of the District.

³¹ <http://www.census.gov/quickfacts/table/PST045215/06009.06>, September 20, 2016.

³² California Government Code Section 56430. (a)(3).

4.4 Financial Ability to Provide Services³³

Purpose: To evaluate factors that affect the financing of needed improvements and to identify practices or opportunities that may help eliminate unnecessary costs without decreasing service levels.

4.4.1 Financial Considerations for Mark Twain Health Care District

The Budget and Audit for the Mark Twain Health Care District are on the District's website and are shown above in this report.

4.4.2 MSR Determinations on Financing for Mark Twain Health Care District

- 4-1) The funds for operation of the Mark Twain Health Care District are minimal compared to the cost of operating the Mark Twain Medical Center.
- 4-2) The most important task for the District at this time is to negotiate a new contract for the operation of the Mark Twain Medical Center which must be approved by the voters prior to December 31, 2019.
- 4-3) The District supports health education through various programs such as the Health Fair, Respite Care, Pink in the Night, Education Forums, Golden Health Awards (5 nominees receive \$5,000, the award winner an additional \$5,000), Elder Abuse Awareness, High School Scholarships and the Chronic Disease Management Program (\$25,000 to the County Health and Human Services Agency.)

4.5 Status of and Opportunities for Shared Facilities³⁴

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

4.5.1 Facilities

The main facility owned by the Mark Twain Health Care District is the Mark Twain Medical Center. Once the District has a new contract in place for operation of the Mark Twain Medical Center, the District will be able to coordinate additional services with other districts in the County that are also involved in health care services such as schools, fire protection districts and the County Human Services Agency.

The District website shows partnerships with the following:³⁵

Association of California Healthcare Districts
Blue Mountain Coalition for Youth and Families

³³ California Government Code Section 56430. (a)(4)

³⁴ California Government Code Section 56430. (a)(5)

³⁵ Mark Twain Health Care District, <http://marktwainhealthdistrict.org/partnerships/>, October 3, 2016.

California Special Districts Association
Calaveras County Public Health Department
Gardens to Grow In-Calaveras/Amador
Calaveras Youth Mentoring Program
Calaveras Senior Center
Hospice of Amador and Calaveras
Mark Twain Medical Center
Mark Twain Medical Center Foundation
Mind Matters
Resource Connection of Calaveras
Volunteer Center of Calaveras

4.5.2 MSR Determinations on Shared Facilities for Mark Twain Health Care District

- 5-1) The Mark Twain Medical Center is the primary facility owned by the Mark Twain Health Care District.
- 5-2) The Mark Twain Health Care District is in the process of developing a new contract for operation of the Mark Twain Medical Center. Any contract must be approved by the voters prior to December 31, 2019.
- 5-3) The Mark Twain Health Care District cooperates with and supports other agencies as much as possible.

4.6 Accountability for Community Service Needs, Government Structure and Operational Efficiencies³⁶

Purpose: To consider the advantages and disadvantages of various government structures that could provide public services, to evaluate the management capabilities of the organization and to evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.

4.6.1 Government Structure

The Board of Directors for the Mark Twain Health Care District has public meetings and meets the provisions of the Brown Act. The five members of the Board are elected for four year terms.

The seven member Board of Directors for the Mark Twain Hospital Corporation may be more confusing to the general public because this Board is made up of members from the Mark Twain Health Care District Board, a member of the public, and representatives from Dignity Health. This Board is only in existence until the expiration of the Contract with Dignity Health in December 2019.

³⁶ California Government Code Section 56430. (a)(6).

There is also a Mark Twain Medical Center Foundation with a nine member Board of Directors. This is an independent nonprofit organization to raise private money for the Mark Twain Medical Center.

The Audit notes that the District is subject to laws and regulations regarding licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Government activity has increased with respect to possible violations of statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with all applicable government laws and regulations and is not aware of any future actions or unasserted claims at this time.³⁷

4.6.2 MSR Determinations on Local Accountability and Governance

- 6-1) The Directors for the Mark Twain Health Care District are elected by the voters of Calaveras County.
- 6-2) The Board of Directors for the Mark Twain Health Care District have regular meetings and maintain a website with information about the District.

³⁷ Audited Financial Statements MARK TWAIN HEALTH CARE DISTRICT, June 30, 2015, Prepared by JWT and Associates, LLP, 1111 East Herndon Avenue, Suite 211, Fresno, CA 93720, Voice: 559-431-7708, Fax: 559-431-7685, Email: rjctcpa@aol.com, Page 16.

5 MARK TWAIN HEALTH CARE DISTRICT SPHERE OF INFLUENCE UPDATE

5.1 SOI Requirements

5.1.1 LAFCo's Responsibilities

This Sphere of Influence (SOI) has been prepared for the Calaveras Local Agency Formation Commission (Calaveras LAFCo). Local Agency Formation Commissions are quasi-legislative local agencies created in 1963 to assist the State in encouraging the orderly development and formation of local agencies. This SOI consists of a review of service as provided by the Mark Twain Health Care District and the District Boundary.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.) is the statutory authority for the preparation of an MSR, and periodic updates of the Sphere of Influence of each local agency. A Sphere of Influence is a plan for the probable physical boundaries and service area of a local agency, as determined by the affected Local Agency Formation Commission (Government Code §56076). Government Code §56425(f) requires that each Sphere of Influence be updated not less than every five years, and §56430 provides that a Municipal Service Review shall be conducted in advance of the Sphere of Influence update.

5.1.2 SOI Determinations

In determining the Sphere of Influence for each local agency, LAFCo must consider and prepare a statement of determinations with respect to each of the following:

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 which 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. The existence of disadvantaged unincorporated communities.

5.1.3 Possible Approaches to the SOI

LAFCo may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. Based on review of the guidelines of Calaveras LAFCo as well as other LAFCos in the State, various conceptual approaches have been identified from which to choose in designating an SOI. These seven approaches are explained below:

1) Coterminous Sphere:

The sphere for a city or special district that is the same as its existing boundaries.

2) Annexable Sphere:

A sphere larger than the agency's boundaries identifies areas the agency is expected to annex. The annexable area is outside its boundaries and inside the sphere.

3) Detachable Sphere:

A sphere that is smaller than the agency's boundaries identifies areas the agency is expected to detach. The detachable area is the area within the agency bounds but not within its sphere.

4) Zero Sphere:

A zero sphere indicates the affected agency's public service functions should be reassigned to another agency and the agency should be dissolved or combined with one or more other agencies.

5) Consolidated Sphere:

A consolidated sphere includes two or more local agencies and indicates the agencies should be consolidated into one agency.

6) Limited Service Sphere:

A limited service sphere is the territory included within the SOI of a multi-service provider agency that is also within the boundary of a limited purpose district which provides the same service (e.g., fire protection), but not all needed services. Territory designated as a limited service SOI may be considered for annexation to the limited purpose agency without detachment from the multi-service provider.

This type of SOI is generally adopted when the following four conditions exist:

- a) The limited service provider is providing adequate, cost effective and efficient services
- b) The multi-service agency is the most logical provider of the other services
- c) There is no feasible or logical SOI alternative, and
- d) Inclusion of the territory is in the best interests of local government organization and structure in the area

Government Code §56001 specifically recognizes that in rural areas it may be appropriate to establish limited purpose agencies to serve an area rather than a single service provider, if multiple limited purpose agencies are better able to provide efficient services to an area rather than one service district.

Moreover, Government Code Section §56425(i), governing sphere determinations, also authorizes a sphere for less than all of the services provided by a district by requiring a district affected by a sphere action to "establish the nature, location, and extent of any functions of classes of services provided by existing districts" recognizing that more than one district may serve an area and that a given district may provide less than its full range of services in an area.

7) Sphere Planning Area:

LAFCo may choose to designate a sphere planning area to signal that it anticipates expanding an agency's SOI in the future to include territory not yet within its official SOI.

5.1.4 SOI Update Process

LAFCo is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCo must update those SOIs every five years, as necessary. In updating the SOI, LAFCo is required to conduct a Municipal Service Review (MSR) and adopt related determinations.

LAFCo must notify affected agencies 21 days before holding a public hearing to consider the SOI and may not update the SOI until that hearing is closed. The LAFCo Executive Officer must issue a report including recommendations on the SOI amendment and update under consideration at least five days before the public hearing.

5.1.5 SOI Amendments and CEQA

LAFCo has the discretion to limit SOI updates to those that it may process without unnecessarily delaying the SOI update process or without requiring its funding agencies to bear the costs of environmental studies associated with SOI expansions. Any local agency or individual may file a request for an SOI amendment. The request must state the nature of and reasons for the proposed amendment, and provide a map depicting the proposal.

LAFCo may require the requester to pay a fee to cover LAFCo costs, including the costs of appropriate environmental review under CEQA. LAFCo may elect to serve as lead agency for such a review, may designate the proposing agency as lead agency, or both the local agency and LAFCo may serve as co-lead agencies for purposes of an SOI amendment. Local agencies are encouraged to consult with LAFCo staff early in the process regarding the most appropriate approach for the particular SOI amendment under consideration.

Certain types of SOI amendments are usually exempt from CEQA review. Examples are SOI expansions that include territory already within the bounds or service area of an agency, SOI reductions, and zero SOIs. SOI expansions for limited purpose agencies that provide services (e.g., fire protection, levee protection, cemetery, and resource conservation) needed by both rural and urban areas are typically not considered growth-inducing and are likely exempt from CEQA. Similarly, SOI expansions for districts serving rural areas (e.g., irrigation water) are typically not considered growth-inducing.

Remy et al. write

In City of Agoura Hills v. Local Agency Formation Commission (2d Dist. 1988) 198 Cal.App.3d480, 493-496 [243 Cal.Rptr. 740] (City of Agoura Hills), the court held that a LAFCO's decision to approve a city's sphere of influence that in most respects was coterminous with the city's existing municipal boundaries was not a "project" because such action did not entail any potential effects on the physical environment.³⁸

5.1.6 Recommendation for Mark Twain Health Care District Sphere of Influence

The Mark Twain Health Care District includes all of Calaveras County. This is a suitable boundary for the District. The recommendation for the Mark Twain Health Care District SOI is that the SOI be the same as the District boundary.

5.2 Present and Planned Land Uses in the Mark Twain Health Care District Area, Including Agricultural and Open Space Lands³⁹

5.2.1 Calaveras County General Plan and Zoning for Mark Twain Health Care District SOI Area

The Calaveras County General Plan and Zoning cover the entire area of the Mark Twain Health Care District SOI. The General Plan and Zoning recognize the various communities in the County and provide for appropriate land uses. Except for the City of Angels Camp, the County is the land use authority for all land within the District.

5.2.2 SOI Determinations on Present and Planned Land Use for Mark Twain Health Care District Area

- 1-1] The Mark Twain Health Care District will help to maintain property values in Calaveras County by maintaining appropriate medical facilities for the County.

5.3 Present and Probable Need for Public Facilities and Services in the Mark Twain Health Care District Area⁴⁰

5.3.1 Municipal Service Background

There will be an on-going need for medical facilities in Calaveras County. History has shown that local support for medical care providers is needed in order to have the providers locate in a rural area.

³⁸ Remy, Michael H., Tina A. Thomas, James G. Moose, Whitman F. Manley, Guide to CEQA, Solano Press Books, Point Arena, CA, February 2007, page 111.

³⁹ California Government Code Section 56425 (e)(1)

⁴⁰ California Government Code Section 56425 (e)(2)

5.3.2 *SOI Determinations on Facilities and Services Present and Probable Need for Mark Twain Health Care District*

- 2-1] There is a present and on-going need for the Mark Twain Medical Center and other facilities and programs provided by the Mark Twain Health Care District.
- 2-2] It is planned that the District will be able to negotiate a new contract with a medical service provider and have the contract approved by a public vote in a timely manner.

5.4 *Present Capacity of Public Facilities Present and Adequacy of Public Services*⁴¹

5.4.1 *Capacity Background*

Health care services are costly and subject to many State and Federal regulations. The capacity of the facilities and the capacity of the staff provided both need to be considered. The provision of health care services in a rural area is even more difficult.

5.4.2 *SOI Determinations on Public Facilities Present and Future Capacity for Mark Twain Health Care District*

- 3-1] Once the Mark Twain Health Care District is able to negotiate a new contract and the contract is approved by the voters, the provision of medical services will be assured in Calaveras County.

5.5 *Social or Economic Communities of Interest for Mark Twain Health Care District*⁴²

5.5.1 *Mark Twain Health Care District Community Background*

Calaveras County has many separate communities but there is an overall County spirit. Health care needs may be difficult to meet in a rural area and thus they may be neglected until they are more expensive and serious to treat. Not all residents have the resources to travel outside the County for medical care. Providers may have to deal with fewer insured patients than they would in a more urban area.

⁴¹ California Government Code Section 56425 (e)(3)

⁴² California Government Code Section 56425 (e)(4)

5.5.2 SOI Determinations on Social or Economic Communities of Interest for Mark Twain Health Care District

- 4-1] All residents of the County have an interest in the local provision of medical and health care services.

5.6 Disadvantaged Unincorporated Community Status⁴³

5.6.1 Disadvantaged Unincorporated Communities

SB 244 requires LAFCOs to consider disadvantaged unincorporated communities when developing spheres of influence. Upon the next update of a sphere of influence on or after July 1, 2012, SB 244 requires LAFCo to include in an MSR (in preparation of a sphere of influence update):

- 1) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere; and
- 2) The 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 community within or contiguous to the sphere of influence.

In determining spheres of influence, SB 244 authorizes LAFCo to assess the feasibility of and recommend reorganization and consolidation of local agencies to further orderly development and improve the efficiency and affordability of infrastructure and service delivery.

The Median Household Income for Calaveras County is \$54,936. The Median Household Income for California is \$61,489. The Calaveras Median Household Income, while lower than the State as a whole, is higher than 80% of the State Median Income (\$49,191).⁴⁴

5.6.2 SOI Determinations on Mark Twain Health Care District Disadvantaged Unincorporated Community Status

- 5-1] It is not necessary to make a determination on DUC status because the Mark Twain Health Care District does not supply sewer, water or fire protection services.

⁴³ California Government Code Section 56425 (e)(5)

⁴⁴ <http://www.census.gov/quickfacts/table/PST045215/06009.06>, September 20, 2016.

ABBREVIATIONS

AB	Assembly Bill
ACHD	Association of California Hospital Districts, Inc.
CAH	Critical Access Hospital
CEQA	California Environmental Quality Act
CFD	Mello-Roos Community Facilities District
CHDP	Child Health and Disability Prevention
CHFFA	California Health Facilities Financing Authority
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
Corporation	Mark Twain Medical Center
County	Calaveras County
District	Mark Twain Health Care District
DUC	Disadvantaged Unincorporated Community
Foundation	Mark Twain Medical Center Foundation
HIPAA	Health Insurance Portability and Accountability Act
HCD	Health Care District
LAFCO	Local Agency Formation Commission
MOB	Medical Office Building
MSR	Municipal Service Review (LAFCO)
MTHCD	Mark Twain Health Care District
MTMC	Mark Twain Medical Center
OPR	Office of Planning and Research (California)
SAMPO	San Andreas Medical and Professional Office Building
SOI	Sphere of Influence (LAFCO)
USDA	United States Department of Agriculture

DEFINITIONS

Bond: An interest-bearing promise to pay a stipulated sum of money, with the principal amount due on a specific date. Funds raised through the sale of bonds can be used for various public purposes.

California Environmental Quality Act (CEQA): A State Law requiring State and local agencies to regulate activities with consideration for environmental protection. If a proposed activity has the potential for a significant adverse environmental impact, an environmental impact report (EIR) must be prepared and certified as to its adequacy before taking action on the proposed project.

Local Agency Formation Commission (LAFCO): A five-or seven-member commission within each county that reviews and evaluates all proposals for formation of special districts, incorporation of cities, annexation to special districts or cities, consolidation of districts, and merger of districts with cities. Each county's LAFCO is empowered to approve, disapprove, or conditionally approve such proposals. The LAFCO members generally include two county supervisors, two city council members, and one member representing the general public. Some LAFCOs include two representatives of special districts.

HIPAA: Health Insurance Portability and Accountability Act, a 1996 Federal law that restricts access to individuals' private medical information.

Medi-Cal: The California Medical Assistance Program (Medi-Cal or MediCal) is the name of the California Medicaid welfare program serving low-income individuals, including but not limited to: families, seniors, persons with disabilities, children in foster care, pregnant women, and childless adults with incomes below 138% of federal poverty level.⁴⁵

Medicare:⁴⁶ Medicare is health insurance for the following:

People 65 or older

People under 65 with certain disabilities

People of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant)

Proposition 13: (Article XIII A of the California Constitution) Passed in 1978, this proposition enacted sweeping changes to the California property tax system. Under Proposition 13, property taxes cannot exceed 1% of the value of the property and assessed valuations cannot increase by more than 2% per year. Property is subject to reassessment when there is a transfer of ownership or improvements are made.⁴⁷

Proposition 218: (Article XIII D of the California Constitution) This proposition, named "The Right to Vote on Taxes Act", filled some of the perceived loopholes of Proposition 13. Under Proposition 218, assessments may only increase with a two-thirds majority vote of the qualified voters within the District. In addition to the two-thirds voter approval requirement, Proposition 218 states that effective July 1, 1997, any assessments levied may not be more than the costs necessary to provide the service, proceeds may not be used for any other purpose other than providing the services intended, and assessments may only be levied for services that are immediately available to property owners.⁴⁸

⁴⁵ <https://www.bing.com/search?q=medi-cal+definition&form=EDGHPC&qs=AS&cvid=73e8ca5b4e0448a1b95e077c7a0ca020&pq=medi-cal+definition>, September 27, 2016.

⁴⁶ <http://www.medicare.gov/navigation/medicare-basics/medicare-benefits/medicare-benefits-overview.aspx>, June 21, 2011.

⁴⁷ http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

⁴⁸ http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

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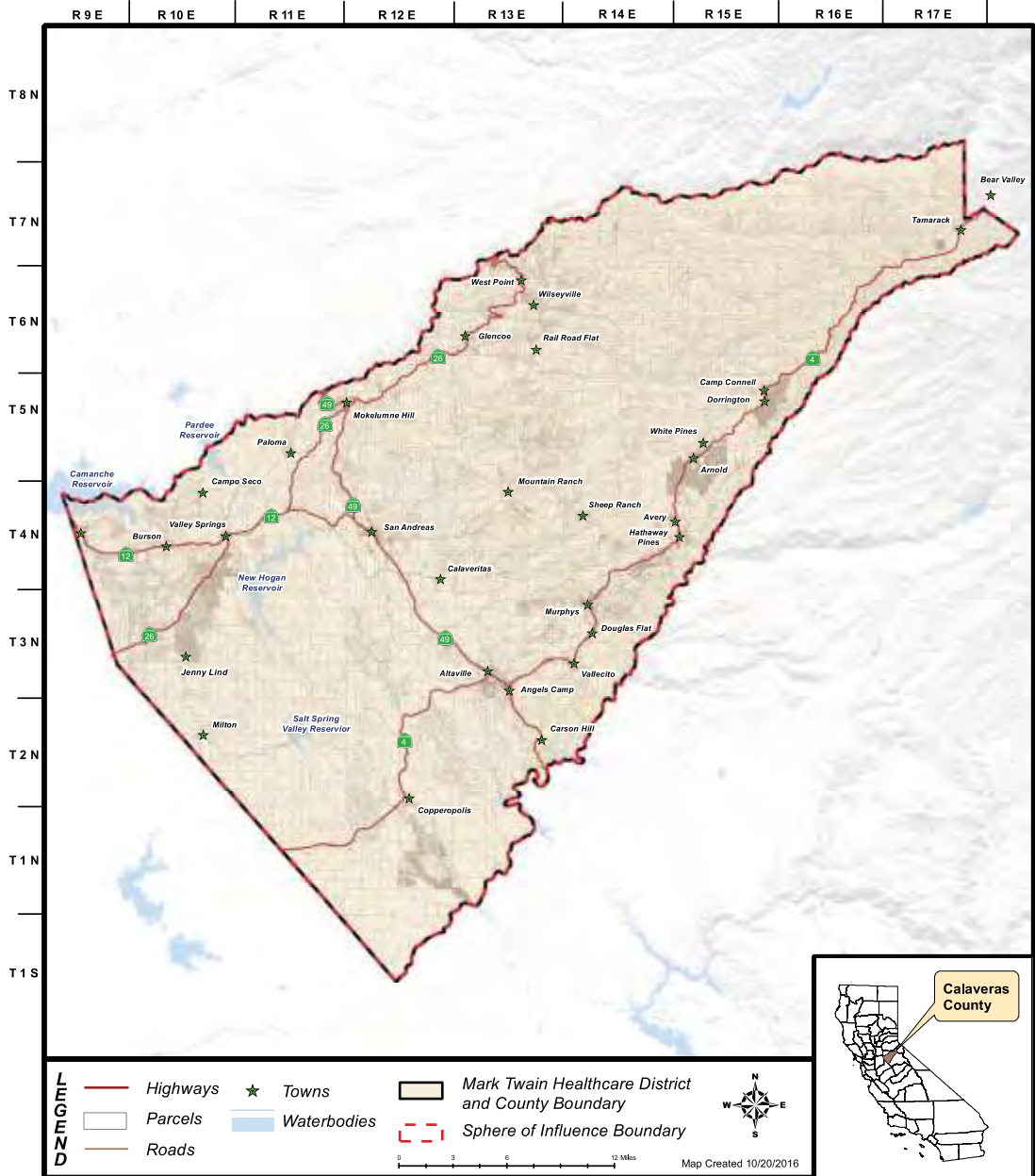
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Calaveras Local Agency Formation Commission
Mark Twain Healthcare District



ACHD Advocate

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From the Desk of Ken Cohen, Executive Director

October has been a busy and challenging month for the Association and Healthcare Districts. Members of the ACHD Board participated in their Strategic Planning Retreat the first week of October in San Diego. The purpose of the retreat was to update ACHD's long range plan and strategic framework for the future.

As most of you may already know, in response to the growing tide of consolidation in health care as well as cyclical market conditions, the Boards of ACHD, the ALPHA Fund, a self-insured workers' compensation program, and BETA Healthcare Group Risk Management Authority (BETA), a self-insured healthcare professional liability program, have approved a merger that will combine ALPHA and BETA into a single entity. BETA was initially established in 1979 by ACHD before it became an independent JPA in 1989. The merger has been approved by a majority of the members of both organizations and is expected to close in early January 2017.



The Board reviewed the following elements of this historic Merger:

The ACHD/ALPHA/BETA Agreement of Merger provides ACHD with three separate but significant sources of funding for ACHD. Taken together, the financial benefit of the merger to ACHD ranges from approximately \$9.4 million to \$10.9 million through 2024. These

additional contributions are in addition to and exclusive of annual ACHD member dues and other Association revenues. The three additional sources of support are outlined below:

1. A One-time payment on January 3, 2017 by BETA to ACHD in the amount of \$4.2 million.
2. Separate Annual payments of an ongoing Support Fee through 2024. The value of the Support Fee ranges from \$3.7 million to approximately \$5.2 million. There is a minimum payment as well as an opportunity for growth. This is addressed through a separate but existing Administrative Services Agreement between ACHD/ALPHA Fund that was incorporated into and is the responsibility of BETA after the Merger.
3. BETA will also provide ACHD with "in kind" administrative, management, and technology services through 2024. The value of the administrative, management and technology services is estimated to be approximately \$1.5 million over the eight year term.

Upon completion of the merger on January 3, 2017, ACHD will have approximately \$6.2 million in reserves in both cash and investments (which is the equivalent to approximately 5 years' operating expense) as well as ongoing supplemental sources of support for operations through 2024.

The Merger provides ACHD with sufficient resources to allow the Association to strategically reposition itself to become even more valuable to our member Healthcare Districts and to develop other relationships and means of support after 2024. Many of these efforts are already underway.

The Board's strategic initiatives provide clear direction for ACHD to pursue programs and services that will add value, and will be responsive to Members' needs in a self-supporting manner.

New Officers

Congratulations to Harry Weiss, CEO, Tahoe Forest Hospital District and Randy Lenac, Treasurer, Grossmont Healthcare District on their appointment to the ACHD Board of Directors. Harry Weiss has over 39 years of extensive strategy, acquisition, operational, clinical and financial experience across for-profit and not-for-profit health care organizations and systems. He possesses a proven record of turning around underperforming operations and taking well-performing systems from good to great. He is a champion of innovation and passionate about delivering a new model of health care that is integrated, high quality, compassionate and proactive. Randy Lenac has executive management expertise in administration, finance, program development and strategy. After retiring as a lieutenant colonel from the Marines in 2002, he transitioned to health care as an executive with Southern Indian Health Council in Alpine, CA. He currently serves as Treasurer and Chair of the Finance Committee for Grossmont Healthcare District, and is a member of the Finance Committee for Sharp Grossmont Hospital.

Congratulations to Julia Miller, who was elected by the ACHD Board in October to serve as its Vice Chair. Julia is currently Secretary/Treasurer of the El Camino Healthcare District Board of Directors, and also serves on the nine member governing board of El Camino Hospital. After retiring from Lockheed Martin Corporation, Julia also served as Mayor and Council Member for the City of Sunnyvale, Trustee for Foothill College, and Board member for Sustainable Silicon Valley.

Special Thanks

Lastly, I want to acknowledge three individuals for their significant contributions to both ALPHA Fund and ACHD. In my perception, they are single handedly responsible for managing ACHD through turbulent times while being responsible for the growth and financial success of ALPHA Fund. They are: David McGhee, Chief Executive Officer of ACHD/ALPHA Fund, Tom Petersen, former Executive Director of ACHD and current Executive Director of ALPHA Fund, and Curt Jones, Chief Financial Officer of ALPHA Fund/ACHD. Combined, their knowledge, experience, leadership, and ethics are above reproach. They have provided the framework for a renewed Association along with the fundamental direction and guidance to ALPHA Fund. Their vision established an organization responsive to its Members and a workers compensation program which supports both Healthcare Districts and non-profit Participants.

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In Case You Missed It... Healthcare District News from Around the State



Tahoe Forest Hospital to host Measure C projects celebration

Tahoe Forest Health System is pleased to announce the completion of the final phase of its Measure C construction projects. The Joseph Family Center for Women and Newborn Care opens this month. [Click here](#) to read the full article.

Seabees show they 'Can do!' for seniors

Camarillo Healthcare District provides weekly meals for about 125 homebound seniors in Camarillo and the Somis area through its home delivered meals program. [Click here](#) to read the full article.

District supports new playground for all

Sequoia Healthcare District's Board approved an award of \$400,000 towards the building of a new playground for Redwood City. [Click here](#) to read the full article.

Golfers raise \$105,000 for Banning hospital

The San Geronio Memorial Hospital Foundation raised more than \$105,000 for new equipment for the hospital. [Click here](#) to read the full article.

TT-FWDD honors Tahoe Forest as 2016 Agency Partner of the Year

Tahoe Truckee Future Without Drug Dependence Coalition members, community partners and volunteers gathered to honor its volunteer base for their efforts to prevent community and teen drug and alcohol abuse. [Click here](#) to read the full article.

Federal grant helps senior and disabled patients get rides for medical care

A partnership between Tri-City Medical Center; SANDAG; and FACT Inc., or Facilitating Access to Coordinated Transportation, a regional nonprofit serving seniors and disabled people, has resulted in a \$200,000 federal grant to provide lifts home and to follow up appointments to qualifying patients being discharged from the hospital. [Click here](#) to read the full article.

Hospital evaluation goes well

The Tehachapi Valley Healthcare District has improved the way it tracks various procedures, and that has led to a significantly better hospital evaluation by Det Norske Veritas Healthcare. [Click here](#) to read the full article.

NCFPD approves Fallbrook Healthcare District grant

The North County Fire Protection District to approve a grant agreement with the Fallbrook Healthcare District which will provide the fire district with an electrocardiogram defibrillator and a chest compression device. [Click here](#) to read the full article.

Oral health plan completed

San Mateo County has a new oral health plan thanks partially to support from Sequoia Healthcare District. [Click here](#) to read the full article.

A hotbed for hospital innovation

The Fogarty Institute, which operates out of El Camino Hospital, aims to help startup medical technology make it to the market. [Click here](#) to read the full article.

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Register Today for Leadership Academy!

The Leadership Academy is designed to provide new and experienced trustees and executives with the knowledge and skills necessary to effectively govern a Healthcare District. Healthcare District Executives, Board Clerks and Secretaries to the Board are encouraged to take advantage of this educational opportunity.

The program content is approved by the Association's Board of Directors and Education Committee and is divided into five general sections:

- ACHD's Advocacy and Membership Benefits Overview;
- Public financials;
- Board culture and strategic governance;
- Effective Messaging;
- Local Agency Formation Commissions (LAFCOs), and;
- Brown Act and Fair Political Practices Commission (FPPC).



The information provided will help you utilize the insights and knowledge gained through your participation in the Leadership Academy to enhance your role as a District Trustee or Executive.

We encourage you to attend our Leadership Academy and networking with fellow Districts in Sacramento, at the Hyatt Regency Hotel!

Schedule:

Feb 2	7:30 am	Breakfast
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8:30 am	Welcome Ken Cohen, Executive Director, ACHD Tom Wander, Chief Executive Officer, BETA Healthcare Group Overview of ACHD, Advocacy, Member Services and Outreach Amber King, Senior Legislative Advocate, ACHD Sheila Johnston, Member Services Specialist, ACHD	
9:45 am	Leadership in the New Reality William "Bill" Chiat, President and Principal Consultant, Alta Mesa Group	
10:45 am	LAFCo 101 Pamela Miller, Executive Director, CALAFCO	
12:00 pm	Best Practices in Effective Healthcare District Messaging Jean Hurst, Partner, Hurst Brooks Espinosa Amanda Gordon, Community Affairs Manager, Camarillo Healthcare District Elly Garner, Director, Government Affairs, Palomar Health	
1:30 pm	Board Culture and Strategic Governance Robert Nelson, Nelson Strategic Consulting	
3:00 pm	Session 1: The Brown Act and Fair Political Practices Commission: AB 1234 Training Gary Winuk, Counsel, Kaufman Legal Group	
5:30 pm	Reception and Dinner at The Railroad Museum	
Feb 3	7:30 am	Breakfast
	8:45 am	Session 2: The Brown Act and Fair Political Practices Commission: AB 1234 Training Gary Winuk, Counsel, Kaufman Legal Group
	10:15 am	Public Sector Financials Rich Gianello, Partner, HFS Consultants
	12:00 pm	Closing Lunch

Costs:

- Member: \$150/attendee
- Non-Member: \$300/attendee
- Guest: \$100 (Meals only)

Registration fees include all meals.

[Click here](#) to register for the Leadership Academy.

[Click here](#) to complete your hotel reservations.

Please contact [Sheila Johnston](#) with questions.

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Schedule of Events for 2017

ACHD has completed scheduling all events for 2017. To access the calendar, please visit [our website](#).

In addition to Leadership Academy, ACHD hosts two other educational events you don't want to miss. Please save the dates in your calendar for ACHD's Legislative Day and Annual Meeting!



Legislative Day

When: April 3-4, 2017

Where: Hyatt Regency, Sacramento, 1209 L Street, Sacramento, CA 95815

Event: Legislative Day is an opportunity for Healthcare District Trustees and Administrators to connect with Legislative Representatives at the State Capitol. The educational program will provide detailed information regarding the most pressing legislative issues, while creating opportunities for Trustees and Administrators to foster relationships with state lawmakers.

65th Annual Meeting

When: September 13-15, 2017

Where: Kona Kai Resort and Spa, 1551 Shelter Island Drive, San Diego, CA 92106

Event: As the state of health care continues to evolve and the pace of change continues to increase, we wonder: how will our important Member Districts evolve to meet the challenges ahead and continue to serve their communities? ACHD's Annual Meeting will provide opportunities to hear different perspectives on a wide variety of topics, ranging from effective governance to advancing the health in your communities, while providing opportunities to share your experience and views with your Healthcare District colleagues.

Please contact [Sheila Johnston](#) with questions.

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[Update From Your Advocacy Team](#)

Little Hoover Commission

As previously reported, [The Little Hoover Commission](#) is holding a public advisory committee meeting regarding Healthcare Districts, as part of their study of special districts. This meeting will be held on November 16, 2016 at 1:30 p.m. in the BMG Conference Room in the lower level at 925 L Street, Sacramento, CA 95814. The meeting notice and agenda can be found [here](#).

ACHD's Executive Director, Ken Cohen, and Senior Legislative Advocate, Amber King will be participating in the meeting, along with a number of other Healthcare District representatives and other interested stakeholders. ACHD was asked to provide written comments regarding an update on the Healthcare District Working Group and recent Board action on the recommendations that came out of the Working Group. Please find those written comments [here](#). A full report by the Commission is anticipated in early 2017.

ACHD Working Group

As you know, ACHD developed a Working Group comprised of the leadership of Healthcare Districts statewide to review the changing role of Healthcare Districts, enhance accountability and improve transparency.

We are happy to announce that ACHD's Board of Directors approved a multi-point strategic plan developed by the Working Group, which includes the following components:

- Update the Healthcare District law to reflect the crucial role of Districts.
- Demonstrate local services are aligned with community needs.
- Work collaboratively with Local Agency Formation Commissions (LAFCOs) to perform their duties to review the operations of Healthcare Districts at least every 5 years.
- Enhance ACHD's existing Certified District program to ensure full transparency and good governance practices are met, and increasing educational opportunities for District staff and trustees.
- Educate policymakers and other stakeholders about the role of Districts as an integral part of the greater healthcare system.

We are extremely pleased with the progress of the Working Group to date. ACHD Staff is continuing to utilize the expertise of the Working Group to implement these recommendations. Additionally, ACHD's Advocacy Team is currently working on sponsored legislation to introduce in 2017. The Working Group will meet again on December 8, 2016 to finalize the recommended sponsored bill to ACHD's Board. Stay tuned for more information on this legislation.

Communications Campaign

Through ACHD's Working Group strategic plan, ACHD's Board of Directors has prioritized creating a messaging campaign across California about the value of Healthcare Districts. We are working to create media opportunities locally to highlight Healthcare Districts serving key populations in the post-ACA environment, creating innovative partnerships, and illustrating the mission of Districts that will resonate with policymakers.

ACHD has retained the firm [Paschal Roth Public Affairs](#) to support this messaging campaign. One of the firm's first efforts is to promote the great work that specific Healthcare Districts are doing. This first set of Districts has been selected based on their media opportunities, location, population, legislative representation, and access to media. ACHD staff will be contacting you for participation in this important first phase of the communications campaign and we encourage your participation and support.

Please contact ACHD's Senior Legislative Advocate, Amber King, at amber.king@achd.org or (916) 801-5207 with questions.

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Update Your Information!



With the most recent election completed, ACHD has started updating our databases for accuracy. As such, we are seeking the most current contact information for current and newly elected Trustees, Healthcare District Executives and Staff at your District. At your convenience, please [click here](#) to complete the contact information form. Please e-mail your completed forms to [Cellosea Chilton](#).

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Whole Person Care (WPC) Pilots: State to Open Second Round of Pilot Applications

The Department of Health Care Services (DHCS) announced in mid-October that it will accept a second round of applications for Whole Person Care (WPC) pilot projects. The second round of applications is due on March 1, 2017.

WPC pilots are part of the Medi-Cal 2020 Section 1115 demonstration waiver, approved in December 2015 by the federal Centers for Medicare and Medicaid Services (CMS). The general requirements for the second round of applications will remain the same, but DHCS plans to update the second round of applications based upon lessons learned from the first round, which is expected to conclude in late October.

During the second application period, applicants may amend applications already approved in the first round to add new target populations and/or services and interventions. New applicants also may apply. Additional guidance will be provided prior to the release of the second round of applications.

For more information, please visit the [DHCS website](#).

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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 that allows local officials to satisfy the requirements of AB 1234 on a cost-free basis. The course can be accessed here: [Local Officials Ethics Training Course](#).

When the training is finished, ***you must print*** the Certification of Completion provided at the end of the course training.

The FPPC cannot advise on the legal requirements of AB 1234 because the FPPC does not have jurisdiction to do so. For questions pertaining to legal interpretation and application of AB 1234, please consult your local agency counsel.

For questions or concerns, please contact info@achd.org.

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The next ACHD Advocate will be published on Friday, December 9th.

Resources

[Legislative Reports](#)

[ACHD Message](#)

[Certified Healthcare District](#)

[Board Self-Assessment Tool](#)

[CEO Evaluation](#)

[Partnership with Capella University](#)

[Become a Member of CAPP](#)

Connect with ACHD on social media



ACHD, 1215 K Street, Suite 2005, Sacramento, CA, 95814 · www.achd.org

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		\$ 84,480	\$ (401,175)
	\$ -	\$ -	\$ -			
Total Construction Contingencies / Escalation	\$ 485,655	\$ 50,055	\$ 435,600	\$ -	\$ 84,480	\$ (401,175)
Total Construction Budget	\$ 5,465,809	\$ 608,869	\$ 4,856,940	\$ -	\$ 84,480	\$ (5,381,329)

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)

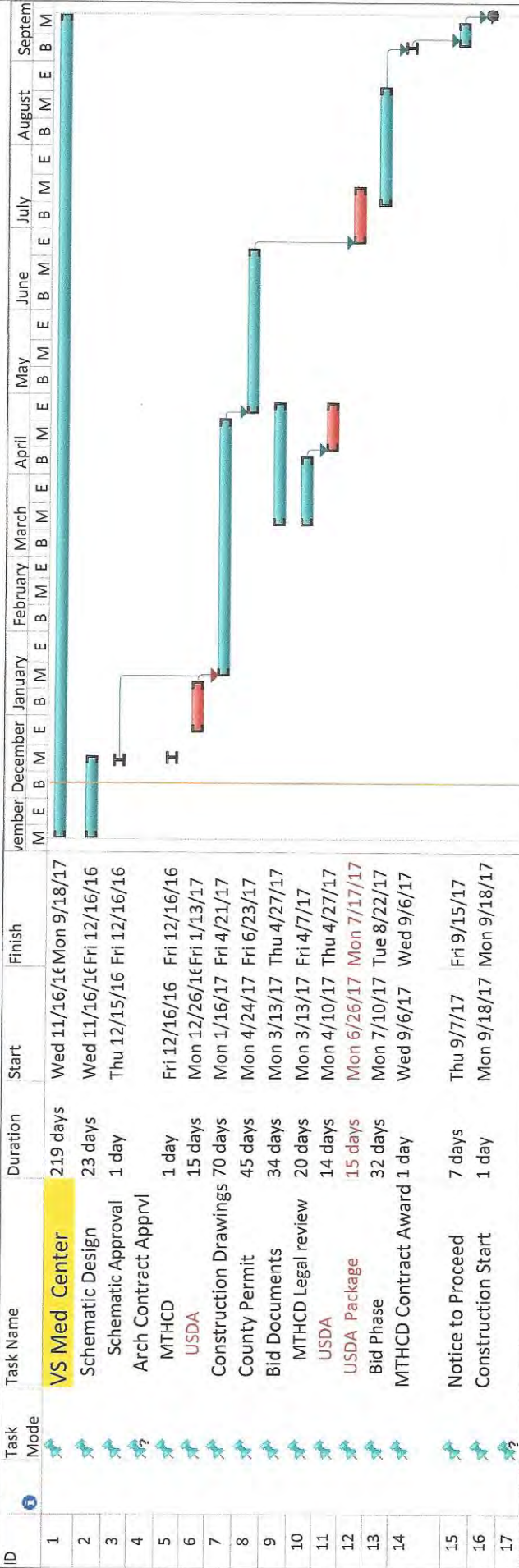
Opinion of Probable Costs

Key Project Data Information	Total Project	Site	Building	Other Costs non-grant related	ACTUAL SPEND	OVER/(UNDER)
Consultant Fees						
Architect/Engineer Fees	\$ 370,429	\$ 30,443	\$ 339,986		\$ 146,145	\$ (224,284)
Equipment Planner Fees	\$ -	\$ -				
Other Consultant Fees	\$ -	\$ -			\$ 4,175	\$ 4,175
Total Consultant Fees Budget	\$ 370,429	\$ 30,443	\$ 339,986	\$ -	\$ 150,320	\$ (220,109)
Administrative Costs						
Permit Fees & Hook ups	\$ 410,000	\$ 260,000	\$ 150,000		\$ 7,459	\$ (402,541)
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		\$ 17,628	\$ (12,372)
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	\$ -	\$ 39,837	\$ (512,663)
Land & Site Development						
Land Acquisition	\$ -			\$ 890,000	\$ 903,112	\$ 13,112
Off Site Development	\$ -	tbd				
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	\$ 1,177,750	\$ (7,300,988)
Owner Reserves						
		10% site, 5% Building				
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	\$ 1,177,750	\$ (7,669,516)
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	\$ 1,193,480	\$ (7,789,731)

Mark Twain Healthcare District
 Valley Springs clinic project
 Thru 11-29-16
 As of 11-29-16

Row Labels	Sum of Amount	OPC Category
Air Permitting Specialists	3,200	Site Survey, Testing, Boring & Reports
Aspen Street Architects	127,225	Architect/Engineer Fees
Calaveras County Planning Department	5,806	Permit Fees & Hook ups
Calaveras County Public Works	425	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	17,628	Legal Fees
Michael W. Skenfield	4,175	Other Consultant
Van Lieshout, Patrick	84,480	Building Contingency
Wiebe Land Surveying	2,250	Site Survey, Testing, Boring & Reports
Grand Total	1,193,480	

VALLEY SPRINGS MED CENTER



Project: VS MED 11.12.16
Date: Wed 12/7/16

Task	
Split	
Milestone	
Summary	
Project Summary	
External Tasks	
External Milestone	
Inactive Task	
Inactive Milestone	
Inactive Summary	
Manual Task	
Duration-only	
Manual Summary Rollup	
Manual Summary	
Start-only	
Finish-only	
Deadline	
Progress	

November 8, 2016

Mark Twain Health Care District
768 Mountain Ranch Road
San Andreas, California 95249

Proposal: Owner Representative/Project/Construction Management Services
Medical Facility – Valley Springs, California

The Facility Management Group (FMG) is a local Construction/Project management firm that specializes in providing site services to owners that request to have a continuous owner's representation on site during the project duration.

FMG has finished since 2000 over \$90,000,000.00 of State of California defined "Complex" projects within 50 miles of this site. The completed projects include scopes that are similar to your proposed infrastructure project. Projects range included raw land development, rough grading, storm sewer, waste water, packaged lift stations, water, site electrical, engineered pads, roads, retaining walls, masonry structures, parking lots, new and remodeled modular buildings, foundations, new building construction (wood, masonry and steel) and ADA compliance projects.

The scope of this proposal includes a combination of construction/project management services that would ensure the project is built to the plans and specifications developed by Aspen Street Architects.

Sincerely,

Patrick Van Lieshout

Patrick Van Lieshout

Facility Management Group
Patrick Van Lieshout
CASP #253
P.O. Box 1046
Valley Springs, California 95252
209-772-9300 o/f
Casp.fmg@outlook.com

CONTENT of PROPOSAL

Planning/Development/Pre-Construction Services: 1.0% x \$4,400,000.00 = \$44,000.00

- Provide oversight and recommendations as needed or required to be dictated by the District.
- Act as the liaison as the District Representative on the development phase of the proposed project.
- Attend all MTHCD Board meetings and/or meetings dictated by the District.
- Provide availability (phone and/or in person) Monday through Friday as needed.

Construction/Project Management Services: 3% x \$4,400,000 = \$132,000.00

- Provide continuous management of all construction activities.
- Ensure all construction activities are performed in a safe manner and report any hazardous conditions that may affect the District.
- Prepare and provide status reports of the project construction to the District as requested.
- Maintain and update project documents onsite which would include the following:
 1. Record plan set.
 2. RFI's.
 3. Submittals.
 4. CD's.
 5. Change Orders.
 6. Weekly project inspection updates and deviation notices.
 7. Special Inspection log/reports.
 8. Corrective log items – new/old business.
- Attend/participate in by-weekly meetings and prepare documents as required.
- Review Pay Applications and provide recommendations.
- Assist/prepare a N.O.C. for project close out.

FACILITY MANAGEMENT GROUP

Provide continuous oversight during critical phases:

- Mobilization
- Survey/project controls
- Security/temporary fence
- Site work
- Building construction

Development/Pre-Construction Compensation

- Duration will be continuous until the start of the construction phase.
- Starting estimated Dec/16 through estimated Aug/17 -\$5,500.00 lump sum paid monthly.

Pay date Schedule	Amount	
12/1/16	\$5,500.00	
1/1/17	\$5,500.00	
2/1/17	\$5,500.00	
3/1/17	\$5,500.00	
4/1/17	\$5,500.00	
5/1/17	\$5,500.00	
6/1/17	\$5,500.00	
8/1/17	\$5,500.00	
Total	\$44,000.00	

Construction/Project Management Phase Compensation

- Duration will be from construction start continuous until the project "Notice of Completion" is recorded.
- Starting Sept/17 through Sept/18 - \$10,153.00 lump sum paid monthly.

Pay date schedule	Amount	
9/1/17	\$10,153.00	•
10/1/17	\$10,153.00	•
11/1/17	\$10,153.00	•
12/1/17	\$10,153.00	•
1/1/18	\$10,153.00	•
2/1/18	\$10,153.00	•
3/1/18	\$10,153.00	•

Facility Management Group
 Patrick Van Lieshout
 CASp #253
 P.O. Box 1046
 Valley Springs, California 95252
 209-772-9300 o/f
Casp.fmg@outlook.com

FACILITY MANAGEMENT GROUP

4/1/18	\$10,153.00	•
5/1/18	\$10,153.00	•
6/1/18	\$10,153.00	•
7/1/18	\$10,153.00	•
8/1/18	\$10,153.00	•
9/1/18	\$10,153.00	•
Total	\$132,000.00	•

Liability Insurance:

- \$1,000,000.00 Individual Occurrence/ \$2,000,000.00 Aggregate with Mark Twain Health Care District as additional insured.
- All additional insurance requirement will billed as a pass through.

Mark Twain Health Care District

Date_____

Facility Management Group
Patrick Van Lieshout
CASp #253
P.O. Box 1046
Valley Springs, California 95252
209-772-9300 o/f
Casp.fmg@outlook.com

*Addendum to October 28, 2015 Professional Services Work Order #01
between
Mark Twain Health Care District and Aspen Street Architects, Inc.
Valley Springs Medical Center Bidding Documents
December 2, 2016*

The Consultant, Aspen Street Architects, Inc. will provide additional services to the Client, Mark Twain Health Care District, to the subject project as outlined below:

- Based on revised scope, and approved schematic plan revisions under previous addendum, provide complete construction documents for new Medical Center building in Valley Springs to house a Rural Health Clinic (RHC) Client will lease to hospital.
- New RHC to be approximately 8,500 square feet, including one imaging modality (X-ray). Building footprint to cover approximately 10,000 square feet, with approximately 1,500 square feet of shelled space in addition to the RHC for future build out.
- Consultant's services include full design team; civil, landscape, structural, mechanical and electrical. Required Title 24 energy calculation are included.
- Documents to be designed to 2016 California Building Code, and RHC will require OSHPD3 certification. Plans to be submitted by Consultant to local jurisdiction (Calaveras County) for plan review and permitting. Consultant to assist Client and Client's PM in any changes to entitlement with the County Planning Department.
- Bidding services included, to include generation of bid documents, public advertisements, holding a pre-bid conference, issuing addenda as may be required, assisting in public bid opening, and vetting/recommendations to the Client.
- Construction Administration is included. Fee provided is for an estimated 8 month construction project.

Timing:

Consultant to proceed with additional scope upon receipt of signed work order and following acceptance of schematic approval. It is anticipated that the new construction documents can be completed within 18 weeks for final Client review prior to submittal for plan review.

Consultant Compensation:

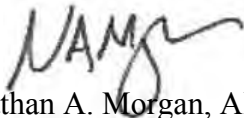
Consultant's additional services to be performed on a Fixed Fee basis for \$236,000.00 exclusive of reimbursable expenses, per the below schedule:

Design Documents	ASAI	\$ 94,000
Design Documents	Engineering Consultants	\$ 97,000
Civil	ASAI	\$ 7,500
Bidding	ASAI	\$ 7,500
Construction Administration	ASAI	\$ 30,000
TOTAL		\$ 236,000

This additional fee is to be billed under ASAI project 90056.48 as an increase to the contract amount.

Agreed to and accepted:
Aspen Street Architects, Inc.

Mark Twain Health Care District



Nathan A. Morgan, AIA, LEED AP
Vice President, Health Care
Dated: December 2, 2016

Dated:

Borrower	Mark Twain Health Care District	File No.	BAL 90056.48
Property Address	1934 S Highway 26		
City	Valley Springs	County	Calaveras
		State	CA
		Zip Code	95252
Lender/Client	Mark Twain Health Care District		

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Uniform Residential Appraisal Report

Valley Springs Clinic
File # BLA 90056.48

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT	Property Address	1934 S Highway 26	City	Valley Springs	State	CA	Zip Code	95252
	Borrower	Mark Twain Health Care District	Owner of Public Record	Mark Twain Health Care District	County	Calaveras		
	Legal Description	Por of Adj. Parcel 1 adjusted Parcel "A" 2.8/ac P.M. 08-159 TN R10E MDB&M						
	Assessor's Parcel #	073-049-005-000 (Portion of/See attached)	Tax Year	2015	R.E. Taxes \$	2,026		
	Neighborhood Name	LaContenta/Rancho Calaveras	Map Reference	Attached	Census Tract	0002.100		
	Occupant	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	0	<input type="checkbox"/> PUD HOA \$	0	<input type="checkbox"/> per year	<input type="checkbox"/> per month
	Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
	Assignment Type	<input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) Consideration of Selling SFR on 2.8 acres						
	Lender/Client	Mark Twain Health Care District	Address	P O Box 95, San Andreas, CA 95249				
	Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							

CONTRACT	Report data source(s) used, offering price(s), and date(s).		Not listed for sale in local MLS (Calaveras and Metrolist source), is not found as pending sale or listing. Tax/APN is the basis reference or prior to completion of site line adjustments (see a title report for current tax/apn etc-none provided).				
	I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.						
	Contract Price \$	Date of Contract	Is the property seller the owner of public record?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)		

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	60 %	
Built-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	5 %	
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	95	Low 5	Multi-Family	0 %	
Neighborhood Boundaries	Calaveras along Hwy 26, Near Valley Springs. South to Calaveras River, North to Hwy 12/26, East to Hogan Dam Rd, West to Burson Rd			525	High 75	Commercial	15 %	
				350	Pred. 15	Other	20 %	

Neighborhood Description Located in northwest Calaveras County near Valley Springs, the subject area is primarily residential use land area. Lots range in size from .50 to +50 acres. The area has mixed age and quality homes that is typical of county areas with a wide value range based on land areas and quality. Other "20%" is undeveloped lot area in the location. Predominant value/use is residential homes in area.

Market Conditions (including support for the above conclusions) The market is level at date or stable values over the last months. Typical conventional financing was noted with 30 year fixed rate loans obtainable from 4.5% at date. Predominant is older smaller homes in the location.

NEIGHBORHOOD	Dimensions	See Attached	Area	2.80 ac	Shape	Irregular	View	N;Pstrl;
	Specific Zoning Classification	C2-PD-PX	Zoning Description	General Commercial - Planned Development - Combining District				
	Zoning Compliance	<input type="checkbox"/> Legal <input checked="" type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)						
	Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							

SITE	Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private	
	Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Street	Asphalt	<input checked="" type="checkbox"/> <input type="checkbox"/>
	Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/> Septic	Alley	None	<input type="checkbox"/> <input type="checkbox"/>
	FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	X	FEMA Map #	06009C0375E	FEMA Map Date	12/17/2010	
	Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe								

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe

See attached addenda.

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Average	Floors	Carpet/Hwd/Av
# of Stories 1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Stucco/Average	Walls	Drywall/Aver
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sq.ft.	Roof Surface	CompShin/Aver	Trim/Finish	Wood/Aver
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts	Metal/Avg	Bath Floor	Vnyl/Aver
Design (Style) Cal-Ranch	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	SingAlum/Aver	Bath Wainscot	Tile/Aver
Year Built 1966	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	None	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 40	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes/Aver	<input checked="" type="checkbox"/> Driveway	# of Cars 4
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) # 0	Driveway Surface	Grvl-Conc
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Gas	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input type="checkbox"/> Fence None	<input checked="" type="checkbox"/> Garage	# of Cars 2
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Yes	<input checked="" type="checkbox"/> Porch Covered	<input type="checkbox"/> Carport	# of Cars 0
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool None	<input type="checkbox"/> Other None	<input checked="" type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)

IMPROVEMENTS	Finished area above grade contains:	8 Rooms	4 Bedrooms	2.1 Bath(s)	2,275 Square Feet of Gross Living Area Above Grade
	Additional features (special energy efficient items, etc.) Covered porch, enc/open patio and walks, gravel access driveway, detached metal shop on gravel				
	Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C4;No updates in the prior 15 years;Home is of average quality and material finished average upkeep and care. No physical or functional inadequacies were considered, typical loss from age life method is used in analysis.				
	Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe				
	Home is typical of area in quality and no adverse factors considered. Public records did not show or age. The appraiser applied that most supported/reflective date basis of stamp in concrete 1966 (estimated build).				

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

Home is typical appeal/design, No adverse conditions were considered to marketability or none noted at inspection date. Tenant occupied rent per occupant \$1000/mo

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There are 5 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 200,000 to \$ 369,000		There are 10 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 200,000 to \$ 319,000			
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Address	1934 S Highway 26 Valley Springs, CA 95252	7564 Sparrowk Dr Valley Springs, CA 95252	7297 Conner Dr Valley Springs, CA 95252	176 S Highway 26 Valley Springs, CA 95252	
Proximity to Subject		4.15 miles SW	3.57 miles S	1.64 miles NE	
Sale Price	\$	\$ 275,000	\$ 295,000	\$ 265,000	
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 129.59 sq.ft.	\$ 171.11 sq.ft.	\$ 133.50 sq.ft.	
Data Source(s)		MMLS 16054431 ;DOM 49	MMLS 16037382 ;DOM 44	CalMLS 151125;DOM 77	
Verification Source(s)		Realist	Realist	Realist	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions		ArmLth Conv;0		ArmLth Conv;0	
Date of Sale/Time		s11/16;c10/16		s10/16;c07/16	
Location	A;BsyRd;	N;Res;	-10,000	N;Res;	-10,000
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	
Site	2.80 ac	1.02 ac	+9,000	3.83 ac	-5,000
View	N;Pstrl;	N;Pstrl;		N;Pstrl;	
Design (Style)	DT1;Cal-Ranch	DT1;Cal-Ranch		DT1;Cal-Ranch	
Quality of Construction	Q4	Q4		Q4	
Actual Age	50	14	-18,000	38	-6,000
Condition	C4	C4		C4	
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths	
Room Count	8 4 2.1	7 3 2.1	0	6 3 2.0	+2,500
Gross Living Area	2,275 sq.ft.	2,122 sq.ft.	+9,000	1,724 sq.ft.	+33,000
Basement & Finished Rooms Below Grade	OsF	OsF		OsF	
Functional Utility	Average/None	Average/None		Average/None	
Heating/Cooling	GFWA/Central	GFWA/Central		GFWA/Central	
Energy Efficient Items	Average	Average		Average	
Garage/Carport	2ga4dw	2ga4dw		2ga4dw	0
Porch/Patio/Deck	Patio, porch	Patio, porch		Patio, porch	
Orig. Listed Price	Not Listed	\$289,000	0	\$309,900	0
Extras	Shop	None	+5,000	None	+5,000
Zoning	*est Comm.	Residential	0	Residential	0
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -5,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 19,500	
Adjusted Sale Price of Comparables		Net Adj. 1.8 % Gross Adj. 18.5 % \$ 270,000		Net Adj. 6.6 % Gross Adj. 20.8 % \$ 314,500	
				Gross Adj. 14.0 % \$ 302,000	

SALES COMPARISON APPROACH

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain Subject has a sold/transferred transaction in 36 months (see comment below). No prior sales are found of comparables (last sale shown below).

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) County record and local MLS data available to this appraiser

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) County record and local MLS data available to this appraiser

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer	10/30/2015			
Price of Prior Sale/Transfer	\$900,000			
Data Source(s)	Realist/Doc 12181	Realist/Doc	Realist/Doc	Realist/Doc
Effective Date of Data Source(s)	12/01/2016	12/01/2016	12/01/2016	12/01/2016

Analysis of prior sale or transfer history of the subject property and comparable sales A prior sale found on subject is noted as multiple purchase of commercial/residential improved sites (since that time lot line adjustments have occurred - attached). No comparables prior sale (1 year), all noted of the last found transfer available.

Summary of Sales Comparison Approach See attached addenda.

Indicated Value by Sales Comparison Approach \$ 300,000

Indicated Value by: Sales Comparison Approach \$ 300,000 Cost Approach (if developed) \$ Income Approach (if developed) \$ 0

The market approach is the greatest indicator of value (reflective of buyers and sellers). The income approach is not used due to lack of indicators in this location (non-investment property). Cost data not applied to market analysis (age of home)

RECONCILIATION

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. Valuation is made as is. .

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 300,000 , as of 12/02/2016 , which is the date of inspection and the effective date of this appraisal.

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ADDITIONAL COMMENTS

Additional Comments: No employee, director, officer, or agent of the lender, or any other third party acting as a joint venture partner, independent contractor, appraisal management company, or partner on behalf of the lender has influenced or attempted to influence the development, reporting, result, or review of this assignment through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery or in any other manner.

I have not been contacted by anyone other than the intended user (lender/client as identified on the first page of the report), borrower, or designated contact to make an appointment to enter the property. I agree to immediately report any unauthorized contacts either personally by phone or electronically.

Appraiser Certifications: I have knowledge and experience in appraising this type of property in this market area.

I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.

The subject has not been previously viewed by this appraiser or no past appraisal records.

Exposure time common 3-6 months in market at date

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Not Applied

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	=\$
Source of cost data Marshall & Swift and local builder data	DWELLING 2,275 Sq.Ft. @ \$	=\$
Quality rating from cost service Average Effective date of cost data 11/2016	0 Sq.Ft. @ \$	=\$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)		=\$
Cost approach is not applied due to age approach lacks supportable indications	Garage/Carport Sq.Ft. @ \$	=\$
	Total Estimate of Cost-New	=\$
	Less Physical Functional External	
	Depreciation	= \$()
	Depreciated Cost of Improvements	=\$
	"As-is" Value of Site Improvements	=\$
Estimated Remaining Economic Life (HUD and VA only) 20 Years	INDICATED VALUE BY COST APPROACH	=\$

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ **0** X Gross Rent Multiplier **0** = \$ **0** Indicated Value by Income Approach
 Summary of Income Approach (including support for market rent and GRM) The income approach is not used due to lack of indicators in this location (non-investment property).

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached
 Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.
 Legal Name of Project _____
 Total number of phases _____ Total number of units _____ Total number of units sold _____
 Total number of units rented _____ Total number of units for sale _____ Data source(s) _____
 Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion. _____
 Does the project contain any multi-dwelling units? Yes No Data Source _____
 Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion. _____
 Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options. _____
 Describe common elements and recreational facilities. _____

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER



Signature _____
 Name David G Schuller
 Company Name California Certified Appraisers
 Company Address PO Box 137
Burson, CA 95225
 Telephone Number (916) 513-6666
 Email Address ca4app@yahoo.com
 Date of Signature and Report 12/03/2016
 Effective Date of Appraisal 12/02/2016
 State Certification # AG007567
 or State License # _____
 or Other (describe) _____ State # _____
 State CA
 Expiration Date of Certification or License 05/07/2017

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED

1934 S Highway 26
Valley Springs, CA 95252
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 300,000

LENDER/CLIENT

Name No AMC
 Company Name Mark Twain Health Care District
 Company Address P O Box 95, San Andreas, CA 95249
 Email Address _____

SUBJECT PROPERTY

- Did not inspect subject property
- Did inspect exterior of subject property from street
Date of Inspection _____
- Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

- Did not inspect exterior of comparable sales from street
- Did inspect exterior of comparable sales from street
Date of Inspection _____

Supplemental Addendum

File No. BLA 90056.48

Borrower	Mark Twain Health Care District						
Property Address	1934 S Highway 26						
City	Valley Springs	County	Calaveras	State	CA	Zip Code	95252
Lender/Client	Mark Twain Health Care District						

URAR : Sales Comparison Analysis - Summary of Sales Comparison Approach

The appraisal analysis comparable search was 5 mile radius for homes within Rancho Calaveras (similar septic systems), primarily within 20% of subjects GLA and +1 acre. Adequate sale/listed data is found to this location for analysis and conclusion. Rancho Calaveras is divided by Hwy 26 however all homes equal in appeal and service, the appraiser completed research using two MLS source's (Calaveras and Metrolist MLS). Distance and dated sale use is common in this location. All resulted applied the best comparables available at date or used to the subject of the best comparables considered (use of most reflective to best bracket subjects features), No sale with solar is found however leased system and no value is applied. All sales not adjusted to time or at date market has shown to be stabilized (prior years increased however as inventory of homes increased market has been stable of data applied. External loss indication of high traffic access location and proximity of commercial (applied \$10,000 appeal basis of paired support). The sales used most support that current trends found and are considered adequate for measurable conclusion. All homes adjusted for variance from this property, footages adjusted \$60/sf, adjustment as noted to bathroom count \$5000/full and \$2500/half. Bedrooms not adjusted (footage adjusted and considered is applied in GLA). Garages adjusted \$5000/per extra space, shop applied \$5000. Lot areas adjusted \$5000/acre. All applied adjustments supported in paired sale from this and like areas (no adjustment in grid for different item is considered off-set value or equal as supported in this area. A age adjustment \$500/year is applied variance measurable market adjustment. The appraiser viewed multiple additional area home sales and finds the applied as the best reflective to market at date. All are weighted in concluded value. This location site of interior wooded or site with hillside and valley views, comparables considered to have similar or off-set market appeal (no adjustment). Distance of all sales is common of area all are competing dwellings, gross and net adjustment is common of custom/rural locations due to extras associated or can not be avoided. All homes have equal service

Site - Use Conditions

The site area noted in available record shows the originally APN contains 5.33/acres (adjusted record of survey attached now 2.8 acres). Services and line adjustments have occurred noted in attached line adjustment map. The residential improved portion and/or new APN plus any applicable potential zoning change is unknown at date (no county official available at report completed date - analysis applied assumptions and that residential is highest use with topography, access and septic system as existing). Zoning as noted prior to adjustment is C2-PD-PX. Record of survey provided of lot line adjustment is showing site as adjusted parcel (Inst# 2015-12181 a residential use) is not known if revised map reflected a zoning change, analysis as the considered marketability with C2 is not adverse (marketable as other homes of commercial zone in this area exist and sell used in report as sale). Site appears adequate of the existing septic sewage disposal system (assumed within the adjusted area) needs appear common or not adverse to marketability (unknown proximity of public sewer source), Public sewer is likely available or unknown proximity and/or available and cost. Site use as Residential is a legal non-conforming use in commercial zone, residential is an allowed use in this county as existed prior to zone change (grandfathered). Highest Best Use is considered residential due to the subject site lot access, land topography, use of septic system and cost feasibility to change or apply development to a commercial use would exceed acceptable return, as concluded residential is highest use at date as improved (greatest return).

Certification 23 reference – The Intended User of this appraisal report is the Lender/Client, Provident Funding . The Intended Use of the appraisal is to support loan decision regarding the collateral involved and the existing loan on the real property that is the subject of the appraisal; therefore intended lender/client, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users or Uses are identified by the appraiser.

DISCLOSURE/DISTRIBUTION : Regardless of who paid for this assignment, the intended user is only the lender/client stated within the report. The appraisal and report may be inappropriate for use by parties other than the intended user and could place them at risk. Despite the means of possession of the report, this appraisal should not be used or relied on by anyone other than the stated intended user and for the stated/intended purpose.

THE VALUE OPINION: The value opinion/estimate stated is based on market analysis and available data as of the effective date shown in the report. The value opinion considers the current definition of market value, as reflected in the attached Limiting Conditions/Appraiser's Certification. The source of the definition of market value is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

SCOPE OF WORK: If appraiser was provided a Letter of Engagement or specific client instructions, every effort was made to comply with these instructions except to the instance(s) that they may violate USPAP. LOE or specific instructions provided at the time of the acceptance of the assignment will be retained in the appraiser's work file for future reference, if needed. The Appraiser conducts a visual examination of only the readily accessible areas of the property, viewing those components clearly visible from the ground or floor level and visible to the ordinary visitor to the home. Comments on the condition of the foundation, roof, exterior, interior, floors, mechanical, plumbing, electrical, insulation and all other matters relating to the construction of the subject property are based on a casual observation only and may be limited by the placement of personal property, furnishings, landscape shrubbery, etc. so as to preclude clear, unobstructed observation of the items.

NOT A HOME INSPECTION! The appraiser is not a home inspector and the appraisal report is not a home inspection report. The purchaser of the property should not rely on the appraisal in making a decision to buy.

NOT A BUILDING CONTRACTOR/ESTIMATOR! The appraiser is not a building contractor or construction repair estimator. If the client orders estimates of repairs, the estimates provided are based on past estimations, builder cost sheets and the like. The client should not place reliance on the appraiser's estimates of cost for repairs.

Supplemental Addendum

File No. BLA 90056.48

Borrower	Mark Twain Health Care District						
Property Address	1934 S Highway 26						
City	Valley Springs	County	Calaveras	State	CA	Zip Code	95252
Lender/Client	Mark Twain Health Care District						

SURVEY OR PLAT: The appraiser was not supplied with a survey of the subject site. Adverse easement or encroachments visible and recognized by the appraiser, considered "apparent", are reported in the appraisal.

ADVERSE FACTORS: Factors such as drug labs, registered sex offenders, criminal activity, interim rehabilitation facilities, halfway houses or similar uses may be considered as "adverse factors". The appraiser makes no attempt to investigate or discover such activities, unless such factors were readily apparent and obviously impacting the subject property, as evidenced by market data.

RESOLUTION NO. 2016-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MARK TWAIN HEALTH CARE DISTRICT DECLARING CERTAIN
REAL PROPERTY TO BE SURPLUS**

WHEREAS, the Mark Twain Health Care District (“District”) owns certain real property located in an unincorporated area of Calaveras County, in the vicinity of the community of Valley Springs, near the intersection of Vista Del Lago West and State Highway No. 26, as depicted as Adjusted Parcel “A” as shown on the Record of Survey Map for Lot Line Adjustment recorded in Book 23 of Record of Surveys for Calaveras County at Page 52, attached hereto as Exhibit A and incorporated herein (the “Property”); and

WHEREAS, pursuant to the Local Health Care District Law, Health and Safety Code sections 32000 *et seq.*, the District is authorized to sell, lease, or otherwise dispose of real property if it is no longer required for the purposes of the District; and

WHEREAS, the District intends to use a parcel adjacent to the Property for the development of a health clinic, and has determined that the Property is unnecessary for such use or any other use by the District; and

WHEREAS, the Board of Directors desires to dispose of the Property; and

WHEREAS, pursuant to the Surplus Lands Act, Government Code sections 54220 *et seq.*, prior to the disposing of any real property, the District must send a written offer to sell or lease the property for certain specific uses to local public entities and certain private parties.

NOW, THEREFORE, the Board of Directors of the Mark Twain Health Care District does resolve as follows:

Section 1

The foregoing recitals are true, correct, and incorporated herein by reference.

Section 2:

The Board of Directors of the Mark Twain Health Care District declares the Property to be surplus

Section 3.

The Executive Director is authorized and directed to do any and all things and to execute and deliver any and all documents that he or she may deem necessary or advisable in order to comply with the Surplus Lands Act and market the Property for lease or sale.

Section 4.

This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Mark Twain Health Care District held on the 16th day of December, 2016, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Chair, Board of Directors

ATTEST:

Treasurer to the Board of Directors

2727960.2

RECORD OF SURVEY LOT LINE ADJUSTMENT

OF PARCELS 1 AND 2 IN PARCEL MAP BOOK 10, PAGE 105,
AND "ADJUSTED PARCEL" IN PARCEL MAP BOOK 10, PAGE 105.
BEING A PORTION OF THE SOUTHEAST 1/4 OF SECTION 28,
T.4 N., R.10 E., M.D.M.

CALAVERAS COUNTY, CALIFORNIA
JANUARY 2016

PREPARED FOR: DAYMON MOSS
MARK TWAIN HEALTH CARE DISTRICT

PREPARED BY: WIEBE LAND SURVEYING
8395 DOGTOWN RD.
SAN ANDREAS, CA. 95249

NOTES & LEGEND

- 5/8" REBAR TAGGED LS 4862, SET THIS SURVEY.
- 3/4" REBAR TAGGED L.S. 4626(R1)(R2), OR AS NOTED.
FOUND WHERE NOTED.
- ⊙ RECORD LOCATION 5/8" REBAR TAGGED L.S. 6946(R1),
PINS SEARCHED FOR NOT FOUND.
- COMPUTED POINT ONLY.
- FD. INDICATES FOUND IRON PIN.
- (M) INDICATES MEASURED DATA.
- (R1) INDICATES RECORD DATA AS PER PM 10-105.
- (R2) INDICATES RECORD DATA AS PER PM 8-159.
- INST# INDICATES INSTRUMENT NUMBER, CALAVERAS COUNTY RECORDS.
- NOTE 1. BEARINGS ARE BASED ON PM 10-105.
- NOTE 2. THIS BOUNDARY LINE ADJUSTMENT IS APPROVED PER
B.L.A. # 2016-06, FILED IN THE COUNTY SURVEYORS OFFICE.

SURVEYOR'S STATEMENT

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER
MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE PROFESSIONAL
LAND SURVEYOR'S ACT AT THE REQUEST OF DAYMON MOSS IN JANUARY 2016.

Robert J. Blais
ROBERT J. BLAIS R.C.E. 24669



COUNTY SURVEYOR'S STATEMENT

THIS MAP HAS BEEN EXAMINED IN ACCORDANCE WITH SECTION 8766 OF THE
PROFESSIONAL LAND SURVEYORS ACT THIS 5th DAY OF August, 2016.

INTERIM CALAVERAS COUNTY SURVEYOR

Robert J. Pachinger
ROBERT J. PACHINGER L.S. 8977

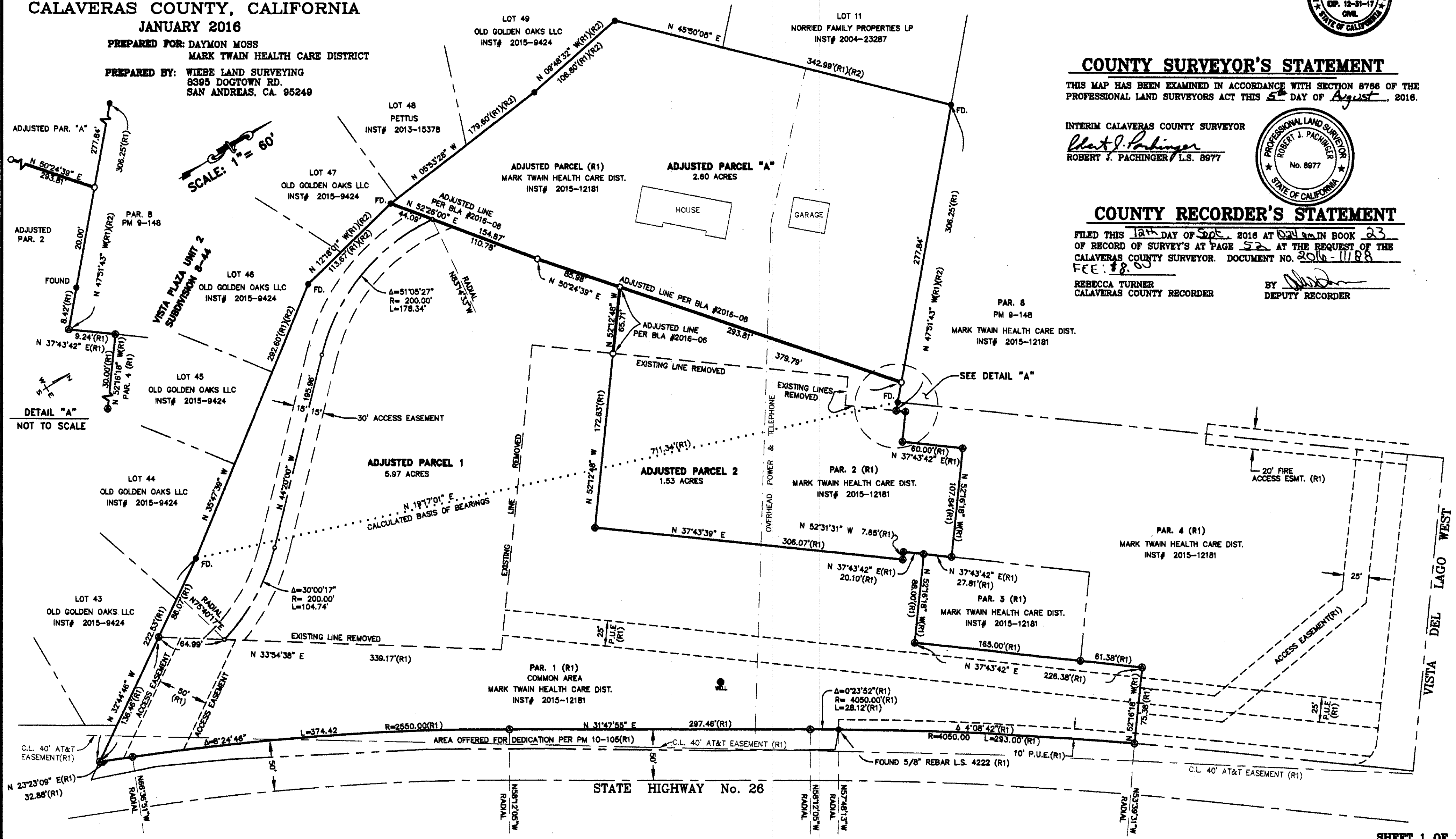


COUNTY RECORDER'S STATEMENT

FILED THIS 12th DAY OF Sep. 2016 AT 09:41 AM IN BOOK 23
OF RECORD OF SURVEYS AT PAGE 52 AT THE REQUEST OF THE
CALAVERAS COUNTY SURVEYOR. DOCUMENT NO. 2016-11188
FEE: \$8.00

REBECCA TURNER
CALAVERAS COUNTY RECORDER

BY *Rebecca Turner*
DEPUTY RECORDER



NOTICE OF SALE OR LEASE OF SURPLUS PROPERTY

, 2016

Dear Real Estate Manager:

As required by the Surplus Land Act, Government Code sections 54220 *et seq.*, we are notifying your agency that the Mark Twain Health Care District (“District”) intends to sell or lease the surplus property described below.

Pursuant to the Surplus Land Act, prior to the disposition of any surplus land, the District must send a written offer to sell or lease the property to local public entities and certain private parties. These entities have sixty (60) days from receipt of the written offer to notify the District of their intent to purchase or lease the property from the District for the purpose of expanding park services, recreation services, open space, public schools, or affordable housing. If no such entity contacts the District with an intent to purchase or lease the property within sixty (60) days, the District may then market the property to the general public.

In the event your agency desires to purchase or lease the property described below, you must notify the District of your intention in writing within sixty (60) days by contacting: Peggy Stout, Mark Twain Health Care District, PO Box 95, San Andreas, CA 95429. You may also contact Ms. Stout at pstout@marktwainhealthcaredistrict.org with any questions.

The District will enter into good faith negotiations with any entity expressing an intent to purchase or lease the property. Such negotiations do not guarantee that the District and entity will agree upon a mutually satisfactory sales price or lease terms.

The District intends to sell or lease surplus real property situated in an unincorporated area of Calaveras County, in the vicinity of the community of Valley Springs, near the intersection of Vista Del Lago West and State Highway No. 26. The property is more particularly depicted as Adjusted Parcel “A” as shown on the Record of Survey Map for Lot Line Adjustment recorded in Book 23 of Record of Surveys for Calaveras County at Page 52, attached hereto as Exhibit A and incorporated herein. For information regarding zoning of this parcel, please contact Calaveras County.

2727886.2



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**Response to Request for Proposal
Legal Services – General Counsel**

MATERIALS PREPARED FOR



**Mark Twain
Health Care District**

Mark Twain Health Care District
Request for Proposal for
Legal Counsel Services
October 11, 2016

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Walnut Creek, CA 94596
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These confidential materials have been prepared by Archer Norris, a Professional Law Corporation, for your sole review and use and should not, without prior permission, be shared with anyone outside of your organization.



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Introduction

EXPERTISE IN THE PROVISION OF GENERAL LEGAL SERVICES TO CALIFORNIA HEALTHCARE DISTRICTS

Archer Norris is a 100 attorney firm with offices located in Walnut Creek (main office for purposes of this Proposal), San Francisco, Los Angeles, Newport Beach and Sacramento. Archer Norris serves a general business and public agency clientele focused on California. Archer Norris is "A/V" rated by Martindale-Hubbell. Archer Norris has had a California based practice for 60 years. Archer Norris provides a full range of healthcare legal services for hospitals, physicians, and ancillary providers, combined with **30** years of experience working for California healthcare districts. Our firm has a truly unique status as a long time **provider of legal services that combine "nuts and bolts" hospital work with the special application of public agency status surrounding healthcare district organizations.** Because of this unique and long experience, the firm also serves as counsel to the Association of California Healthcare Districts and BETA Healthcare Group, the JPA liability carrier serving most California District Hospitals as well as many non profit hospitals.

The firm's healthcare law department specializes in the provision of general counsel, regulatory, and dispute resolution services to healthcare districts, hospitals and other health providers. Our client healthcare districts represent a mix of those that are Community Based, supporting community health and wellness without operating a hospital, and those that operate hospitals and clinics. The firm currently acts as general counsel to District operated hospitals including Doctors Medical Center (West Contra Costa District, currently winding up hospital operations), Marin General Hospital, Sonoma Valley Hospital, Northern Inyo Hospital, John C Fremont, Southern Humboldt District Hospital, and provides legal services to nonprofits, John Muir Health (three acute care hospitals), St. Francis in San Francisco, and **Children's Hospital Oakland.** Our healthcare district Community Based clients include the Peninsula Health Care District, Eden Township Healthcare District, the Los Medanos Healthcare District, West Side Healthcare District, and the Soledad Community Healthcare District (which operates a RHC and SNF). The firm has been active in the Association of California Healthcare Districts for 30 years. We are also a provider of legal services to UC Health, the operator of major academic medical centers across the State of California.

By the nature of our healthcare district representation we work daily on the unique challenges confronting districts without hospitals including oversight of their former facilities and implementation of community health and wellness and grant programs, as well as the political



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challenges they face in Sacramento, and sometimes from local sources (newspapers, grand juries, LAFCOs).

Additionally, the firm has represented a broad variety of healthcare providers, including skilled nursing facilities, home health agencies, surgery centers, an occupational health clinic, FOHC Community and Rural Health Clinics, Healthcare District 1206(b) and (d) clinics, an ambulance district, a hospice facility, a nurse staffing company, physician staffing groups, along with many individual nurses, physicians and large and small physician groups.

For a complete list of all our attorneys and their resumes, please view our website at www.archernorris.com.

Archer Norris Team



COLIN J. COFFEY, PARTNER

- Healthcare
- Public Agency Matters



NOEL M. CAUGHMAN, PARTNER

- Healthcare
- Employment and Human Resources Services



MICHAEL B. PETERSON, PARTNER

- Healthcare
- Finance and Debt Structuring, Real Estate Transactions



PATRICE N. HARPER, SPECIAL COUNSEL

- Healthcare
- Employment and Human Resources Services



MIGUEL P. PRIETTO, JR. SENIOR ASSOCIATE

- Business
- Healthcare
- Litigation



Experience

Healthcare Districts: Experience for General Counsel Services to the Mark Twain Health Care District

Archer Norris has a particular expertise in the "public law" applicable to healthcare districts. The firm has 30 years of experience practicing under the Local Healthcare District Law (California Health & Safety Code, Sections 32000, et.seq.). We are therefore knowledgeable of the many facets of the Local Healthcare District Law that influence the daily operations of the District and its board and management, ranging from delegation of board authority to obscure restrictions on operations, such as, for example, the ability to subsidize indigent county patients or provide services beyond district boundaries. We closely monitor legislative developments affecting healthcare districts, and often assist in legislative efforts by the ACHD to change provisions in the District Law and influence other public agency legislation. We have drafted fairly recent amendments to the District Law at the behest of the ACHD's legislative advocates.

Value Added: Mr. Coffey has a standardized "new District Board member" orientation and accompanying guidebooks and materials he provides as part of district "orientations" of newly elected or appointed board members. The firm issues early in each calendar year a summary of public agency filings that need to be calendared by all healthcare districts, including Public Agency Rosters, new member Oath of Office forms, director/officer Form 700s, Controllers filings, election year resolutions, etc.). Consistent with our long and deep experience working with healthcare districts, we have scores of research materials and opinions on matters that frequently appear. Some of these are fairly unique issues, such as healthcare district status in LAFCO proceedings and beyond boundary operations, but they are arising in more than just one client district.

Our firm has accumulated comprehensive experience and resource materials in the following public law fields as applied to healthcare districts:

- **Government Claims Act** procedures and immunities applicable to public agencies and public officials
- **Brown Act** and **Public Records Act** public disclosure, notice and meeting requirements, including special exceptions applicable only to healthcare districts, e.g., trade secret matters



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- **Local government contracts** and healthcare district **competitive bid requirements and Board Bid and Procurement Policy requirements**
- Ad Valorem **Property taxation** assessment, levy, collection and use, Prop. 13 formulas, County Auditor tax distribution procedures, and public entity tax exemptions
- **Parcel Tax** creation, implementation, and use for operations and long term debt security
- **General Obligation (“GO”) Bond** issues for taxpayer supported new construction or renovation upon voter approved ballot measures
- **Public agency lease requirements**
- **Public Official Ethics Guidelines / FPPC conflict of interest** regulations, statutory and common law public official conflicts rules (“Section 1090” contract conflicts), district officials’ **financial disclosure** rules (**Form 700**), California statutory and common law prohibitions against public official **incompatible activities**, along with specific healthcare district rules on conflicting competitive employment relationships
- **District elections** and administrative procedures, **board vacancies and appointments**
- **State Constitutional limitations** on local agencies (gift of public funds, unlawful delegation of authority, mortgages on public agency real estate, etc.)
- **LAFCO** rules and authority applicable to healthcare districts, Municipal Service Reviews and Sphere of Influence studies, County Special District Association participation
- **District board governance (bylaws / policies / rules of meeting procedure)**
- **Board Delegation** and management authority in the public sector (assistance with Board / management roles)
- **Eminent domain** rights and special application of **CEQA** and **land use** laws to public agencies
- **Investment Fund Policy requirements** for California local governments, e.g., the State LAIF fund participation
- **Public sector financing** vehicles for specific projects through the **Cal Mortgage** program or the issuance of **GO Bonds** based on voter approval, and HUD programs

Hospital Leases and Other Affiliations: The firm handled major asset transfers following the affiliations and reorganizations of Brookside Hospital (leased to Tenet) and Mt. Diablo Medical Center with private sector organizations. The firm has negotiated on behalf of the Peninsula Health Care District a transfer of its leased hospital (Peninsula Hospital) and 23 acres of land in a transaction by which Sutter Health has built and financed a new 600 million dollar acute care campus at the site, with limited District oversight. We have handled the legal affairs of the Marin Healthcare District five year transition by which Marin General Hospital has undergone a transition from Sutter affiliation to freestanding operations. We are actively engaged in the many and complex issues underway at Marin General as it has successfully launched operations as a free-standing, locally controlled, community hospital after many years as a Sutter affiliate. Mr. Coffey has provided a



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Hospital Counsel sponsored webinar presentation on “loose affiliation” options among small rural hospitals hoping to avoid wholesale sales or mergers with large systems. Mr. Coffey also recently made a presentation to the District Board at Hazel Hawkins Medical Center, Hollister, on district hospital affiliation models occurring in California.

The firm is currently assisting the Lompoc Healthcare District in the development of “1206B” physician clinics, a vehicle for physician recruitment and retention uniquely available to healthcare districts.

Our firm has acted as "Issuers Counsel" in major bond issues by district hospitals, amounting to \$800 million in past and future bond proceeds. Of note, our firm has prepared studies for our healthcare districts on the abilities and limitations upon the districts as public entities to engage in health system affiliations, networking and joint ventures. Archer Norris has extensive experience in healthcare district “Section P” asset transfers (voter approved), mergers, and affiliations and has prepared studies on the large variety of healthcare district reorganizations around the State. We also have a great deal of experience guiding our district clients on conducting their activities through affiliated nonprofit entities.

We work closely with County, State, Federal, and local public officials to benefit our clients in the legislative and local government process and for assistance with administrative proceedings and negotiations. Given the community responsiveness of health district boards, we have had to act as counsel to numerous citizen advisory committees established by our district clients to advise them on special matters of community concern. We are well versed on handling the public issues and missions surrounding the involvement of community groups in the affairs of the districts. We fully embrace the district mission to vindicate the public trust delegated to the elected board by the residents of the district and the State of California. District Hospital representation has necessarily required an understanding and ability to successfully communicate (or advise on communications) with local news media.

As general counsel to our district clients, we have often worked with outside law firms engaged on a regular basis to handle matters falling within a particular expertise.

We should note that our healthcare district practice has included the everyday scope of employment matters (hiring, firing, discipline, harassment, investigations, employment policy interpretation and development) and Noel Caughman has handled these matters. We have not developed expertise in broader issues involving ERISA issues and collective bargaining, for which our clients generally engage specialty firms.



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Experience for Dispute and Litigation Services to the Mark Twain Health Care District

An offshoot of our healthcare business and regulatory practice has been litigation engagements on behalf of our provider clients, and on behalf of healthcare clients using **Archer Norris for dispute resolution and active litigation. Our Firm's litigators have handled numerous business and public sector disputes (through both alternative dispute resolution and litigation) among hospitals and physicians, and with medical groups arising in their common business activities. Highlights of representative cases include:**

- Representing the Marin Healthcare District and Eden Township Healthcare District in litigation and disputes with Sutter Health
- **Representing Children's Hospital Oakland in the McMath case, a case followed nationally involving the tragic brain death of a teen girl and her family's efforts to maintain treatment.**
- Successfully defended the Peninsula Healthcare District in multi-year litigation stemming from a citizen group challenge to a 50 year ground lease transaction for construction of a new hospital.
- Successfully defended the Mt. Diablo Healthcare District against a lawsuit brought after **it declared a former CEO's buy out deal a gift of public funds**
- Numerous employment / independent contractor related engagements through litigation or alternative dispute resolution.
- Litigation and arbitration of major Medi-Cal reimbursement disputes for Doctors Medical Center and St. Rose Hospital.
- Defended Kaiser on issues involving both coverage/claims disputes as well as liability aspects (professional and/or product).

Experience for Real Estate Services to the Mark Twain Health Care District

The Archer Norris business practice has handled billions of dollars in real estate transactions in the past 30 years, averaging \$200-500 million annually. We represent property owners, developers, investors and lenders in major deals in communities across the state and beyond. Our real estate background includes numerous transactions traversing the Bay Area, Los Angeles and Orange County – **among the world's most sophisticated real estate markets.** Archer Norris attorneys assist clients in taking advantage of opportunities and keep deals on track by **structuring workable terms that meet clients' goals.**



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Archer Norris attorneys provide comprehensive commercial and public agency real estate counsel ranging from complex transactions requiring innovative strategies to leveraging productive relationships with permitting and regulatory agencies, and providing complete litigation support. Agility and experience inform our practical solutions to the typical California challenges facing real estate players – volatility in pricing, occupancy and rental rates, geographic barriers to entry, and local zoning and regulatory scrutiny.

Archer Norris attorneys have handled major asset transfers following the affiliations and reorganizations of Doctors Medical Center (San Pablo) and Mt. Diablo Medical Center with private sector organizations (Tenet and John Muir). The Tenet transactions were long term leases and were followed, seven years later, with the undoing of the Tenet operations and transfer back of the facilities to local board control. The team worked on the merger and transfer of the Mt. Diablo facility and campus to John Muir, and the subsequent transfer of operations of that campus to the new organization we helped create, John Muir Health.

This team negotiated and documented on behalf of the Peninsula Health Care District a transfer of its leased hospital (Peninsula Hospital) and 23 acres of land in a transaction by which Sutter Health has financed and completed a new 600 million dollar acute care campus at the Burlingame site. This was a complicated transaction with multiple layers of ground and facility leases, with added construction and development agreements. The transaction took several years to complete.

This same team handled the transfer of Marin General Hospital from a Sutter facility to operation and control by a local nonprofit corporation. The transfer of the business and facilities involved complicated corporate reorganization and real estate transactions, including land and facility leases, all of which had to accommodate bank financings and security interests. We have extensive experience with the leasing and financing of medical office buildings on behalf of our district clients. Public agency contracting in the construction field and contracting policy development are a regular part of our healthcare district practice.

Mr. Peterson has handled significant commercial lease arrangements involving Sutter Health beyond the major hospital transfers in Marin and Burlingame, including the purchase by PAMF of a building in our client Eden Healthcare District's large Dublin MOB complex, pursuant to a purchase right under PAMF's lease of the building, and in Marin, Sutter and Marin General recently completed a long term MOB lease arrangement. Mr. Peterson has twice worked with Children's Hospital on the Summit lease arrangement with Sutter. The firm and this team have extensive experience doing business with Sutter Health, and, importantly, in successfully negotiating and closing deals on our client's behalf with Sutter Health. Mr. Peterson has also bought and sold hundreds of millions of dollars worth of real



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estate for his land development clients, often involving complex environmental and approvals/entitlements issues.



Qualifications of Legal Counsel

Representative List of Clients and References

We believe the following organizations best indicate our firm's ability to successfully provide legal representation and counsel to the Mark Twain Health Care District.

Peninsula Healthcare District. Burlingame, a Community Based healthcare district. General Counsel since 1999.

- Cheryl Fama, Chief Executive Officer, 650-697-6900

Eden Township Healthcare District. Castro Valley, a Community Based healthcare district. General Counsel since 2010.

- Dev Mahadevan, Executive Director, 510-538-2031

John C. Fremont Healthcare District. Mariposa, operator of JC Fremont Hospital. General Counsel since 2014

- Mike McCreary, Board Chair and ACHD Board Chair, 209-966-3631

West Contra Costa Healthcare District. San Pablo, CA, 30 year general counsel role to this District. The Hospital is currently closed and winding up its operations.

- Eric Zell, Chair, Board of Directors, 510-231-4800
- Hon. John Gioia, Contra Costa Board of Supervisors, Past Board Chair, 510-374-3231

Marin Healthcare District. Owner of Marin General Hospital, Greenbrae, CA, and operator of 1206(b) physician clinics in Marin County. General Counsel since 2004.

- Lee Domanico, CEO, 415-464-2090
- Larry Bedard, M.D., Board of Directors, 415-332-1893

Los Medanos Healthcare District. Pittsburg, general counsel of community based district since 2000.

- Pete Longmire, Executive Director, 925-432-2200
- Bobbi Palmer, Former Executive Director, 760-731-9187



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Sonoma Valley Healthcare District. Operator of Sonoma Valley Hospital. General Counsel since 2011.

Sonoma, California, general counsel since 2011.

- Kelly Mather, CEO, 707-935-5005
- Sharon Nevins, Board of Directors, 707-935-5005

Soledad Healthcare District, dba, Soledad Medical Clinic (RHC) and Eden Valley Care Center (SNF), both operated in the City of Soledad, CA, general counsel since 2013.

- Steve Pritt, CEO, 831-678-2462

Northern Inyo County Healthcare District, dba, Northern Inyo Hospital, Bishop, CA, and operator of 1206 (d) and (b) physician clinics and RHC, general counsel since 2014.

- M.C. Hubbard, Chair, Board of Directors, 760-938-2272

Southern Humboldt Community Healthcare District, dba, Jerold Phelps Community Hospital, Garberville, CA, general counsel since 2014.

- Barb Truitt, Chair, Board of Directors, 707-496-1964

Association of California Healthcare Districts, Roseville, CA, often handle member questions directed to us from ACHD, occasional legal work on ACHD legislative endeavors.

- David McGhee, CEO, 916-266-5226
- Ken Cohen, Executive Director, 916-266-6100
- Tom Peterson, former Executive Director, 916-266-5210

Lompoc Healthcare District, dba, Lompoc Valley Medical Center, physician development work.

- Jim Raggio, CEO, 805-737-3301

Palm Drive Healthcare District. Palm Drive Hospital, Sebastopol.

- Daymon Doss, Former Executive Director, Palm Drive Healthcare District, now with Petaluma Health Center, 707-559-7500



ARCHERNORRIS
A PROFESSIONAL LAW CORPORATION

Attorney Biographies

Colin J. Coffey, Partner

Core Hospital and District/Public Agency Matters / Corporate Compliance / Governance / Contracts / Business / Taxation

Colin Coffey graduated from the University of California at Berkeley (with "Great Distinction" and Phi Beta Kappa), and from Hastings College of the Law where he was a law review editor and author. For 30 years Mr. Coffey has provided a broad range of services for healthcare districts, hospitals and healthcare providers. Mr. Coffey acts as general counsel to several district hospitals, including Doctors Medical Center, Sonoma Valley Hospital, Marin General Hospital, John C Fremont, Jerold Phelps, Northern Inyo Hospital, along with several districts that provide services that are not hospital based, including the Peninsula Healthcare District, Los Medanos Healthcare District, Eden Health District, and Soledad Community Healthcare District. Mr. Coffey served for ten years as Corporate General Counsel to the Board and management of the John Muir Health System, which operates three acute care hospitals and affiliate outpatient centers and physician practices, and employs more than 5000 health workers.

Because of this unique and long experience, Mr. Coffey also serves as counsel to the Association of California Healthcare Districts and BETA Healthcare Group, the JPA liability carrier serving most California District Hospitals as well as many nonprofit hospitals.

In addition, his clients have included large and small physician organizations including Affinity Medical Group and Pacific Health Care Medical Group, two large managed care IPAs. Mr. Coffey has extensive experience in nonprofit and district board governance, tax-exempt organization compliance, healthcare organization corporate compliance (including intermediate sanctions, Stark, and fraud & abuse regulations), and healthcare business and medical staff issues.

Mr. Coffey is a 30 year member of the California Society of Healthcare Attorneys, and is a member of the Health Law Section of the American Bar Association, and the American Health Lawyers Association. Mr. Coffey is also a member of the Public Law Section of the California Bar Association. Additionally, Mr. Coffey has advised business clients, candidates, and political committees on California political law issues and is a member of the California Political Attorneys Association. He is long time counsel, and past treasurer, to Friends of



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Congressman George Miller, who represented Contra Costa and Southern Solano Counties. He is Past President of the Contra Costa Bar Association.

Noel M. Caughman, Partner

Employment / Healthcare / Public agency/ Clinical / Regulatory / Consent—Ethics / EMTALA / Hospital Contracts / Licensing / Employment

Noel Caughman concentrates her practice on healthcare and employment law. For the past 25 years Ms. **Caughman's practice has focused on day-to-day** hospital and district issues including hospital contracts, clinical and regulatory issues, consent and ethics, DME regulations, and licensing/Title 22 matters. She has a specific expertise in hospital emergency department operations and policies under EMTALA, HIPAA, and general patient **consent issues. She regularly works with "hands on" patient care managers, physicians,** and social workers on urgent situations involving consent or ethics issues, disruptive patients or family members, and police matters. Recently Ms. Caughman delivered a presentation to the John Muir Medical Staff on consent issues involving developmentally disabled patients. Ms. Caughman has turned around Section 3200 court consent orders within 48 hours of physician and staff identification of a consent problem.

Ms. Caughman handles everyday employment issues for operations and HR managers, including hiring, firing, discipline, investigations, ADA, and FMLA issues. She has drafted employment policies and handbooks. She has conducted seminars for our large employer clients on harassment issues. Ms. Caughman and **the firm's employment law litigators have** comprehensive experience in public sector employment relations and the unique issues confronted in the employment law field by public sector employers, including health care districts.

Ms. Caughman is a graduate of the University of California, Hastings College of the Law and the University of California, Berkeley where she graduated with high distinction, majoring in Economics and German. She is a member of the California Society for Healthcare Attorneys.

Michael B. Peterson, Partner

Real Estate /Finance and Debt Structuring Transactions / Compliance / Hospital Contracts / Technology

Michael Peterson's varied legal interests reflect the wide range of clients he has represented in the fields of real estate transactions, business and corporate transactions, Internet law, **and healthcare law. Mr. Peterson's healthcare practice is concentrated in the areas of** business and real estate transactions, E-Health and technology, medical group organization and financial transactions. His major clients include healthcare districts, hospitals, medical



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groups, solid waste disposal companies, land developers, internet businesses, diverse corporations and partnerships, and individuals with large estates.

Mr. Peterson's Juris Doctor is from Boalt Hall, University of California, where he was honored with membership in the Order of the Coif for academic excellence. He earned bachelor and master degrees in Economics at the University of California, Davis and was a member of the Phi Kappa Phi Honor Society. While at UC Davis graduate school, he taught Accounting for four years as a lecturer and was recognized for teaching excellence.

Patrice N. Harper, Special Counsel

Patrice Harper is a seasoned and accomplished attorney with over 12 years of litigation and health law experience. As former General Counsel to San Francisco Health Care and Rehab, Inc., she defined corporate policy and represented the company during litigation, arbitrations, administrative actions, contract negotiations, and investigations, with a particular focus on employment law. In the course of her career, Ms. Harper also practiced in the areas of white collar crime, anti-corruption/FCPA compliance, sports and entertainment law and toxic torts, representing a diverse group of clients in civil and criminal litigation matters.

Ms. Harper has litigated at the state and federal level, handling corporate investigations, securities fraud, multi-party and class action litigation, labor and employment litigation, intellectual property litigation, unfair business practices, construction litigation, insurance coverage disputes, bankruptcy, criminal cases and habeas corpus matters.

She received her J.D. from Harvard Law School in 2002, her B.A. from Swarthmore College in 1999.

Miguel P. Prietto, Jr., Senior Associate

Miguel Prietto is a member of the firm's Business and Healthcare practice groups where he focuses his practice on both the transactional and litigation business needs of his clients. Currently, Mr. Prietto serves as general counsel to Hoag Orthopaedic Specialty Institute in Orange County, California. In this capacity, he utilizes his experience with healthcare, employment, litigation, real estate and business law, in service to this large medical group.

A seasoned lawyer, Mr. Prietto **routinely acts as advisor to the firm's business** and healthcare clients. He has experience as a business professional having assisted various companies grow from start-ups to multi-million dollar operations involving business entity selection and formation, intellectual property protection and licensing, fundraising, international expansion, and contract enforcement and collections. A licensed California Real Estate Broker, Mr. Prietto routinely counsels individuals and entities through acquisition, leasing and sale of commercial, residential and investment properties.



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Mr. Prietto received his J.D. from **Arizona State University, Sandra Day O'Connor** College of Law. He received his M.B.A. from Arizona State University, W.P. Carey School of Business, and his B.A. and B.S. from the University of California, Santa Barbara.



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Rates

Rates

We provide our healthcare district and nonprofit healthcare clients a significant discount off our regular corporate client rates. Our nonprofit and district client rate ranges from \$380 per hour (senior partner) to \$230 (associate) depending on attorney seniority. Our ordinary corporate rates range from \$480 to \$280. Rates effective 2016 applicable to our proposed partner / special counsel / associate team for the Mark Twain Health Care District include:

Colin J. Coffey	\$350/hr.
Noel M. Caughman	\$345
Michael B. Peterson	\$345
Patrice N. Harper	\$300
Miguel P. Prietto	\$270

We bill only half of travel time, or make other negotiated arrangements, for travel to the District for regular monthly meetings, and therefore largely bill only for travel and time spent in the District. Most of our client healthcare districts do not have counsel attend regular meetings to save costs, but we do work closely with management to help prepare for closed and open sessions, and important action items.

Perhaps more important than hourly rates is our effectiveness in keeping costs down by not over-utilizing attorney time. A key benefit to our healthcare clients is the fact that our healthcare and district practice is primarily based on the day-to-day legal concerns and transactions that arise among district managers which, for the most part, can be resolved through telephone calls or brief legal reviews and simple contracts. Since our firm has had success with a healthcare district practice based on ordinary day-to-day matters referred to us, the firm has no need to generate more work out of a project than necessary to the client. We have no need to make large multi-lawyer projects out of every issue. Our district and healthcare clients inform us that this economical approach to our practice distinguishes our firm from other law firms that they use for special purposes.



Potential Conflicts

Potential Conflicts

At Archer Norris it is standard procedure to run a conflicts check prior to taking on new business at the firm. This allows us to anticipate any potential future conflicts and/or address any existing conflicts. Given our many years of experience in representing healthcare districts, we are very sensitive to the possibilities of legal and business conflicts arising among various entities and will identify those cases to the District as soon as we become aware of them.

After running a conflicts check, we have not identified any representations adverse to Mark Twain Health Care District, other than work our LA office does for Dignity Health patent and related matters. It is likely that we would need waivers for work we do for the District that directly involve Dignity Health.



Additional Information

Billable Expenses

Archer Norris understands that we shall provide general services to the District at no additional cost to the District for secretarial services, telephone, stationary, postage, supplies, library and equipment required to provide a satisfactory level of general services.

Supervision and Control

We understand that the General Counsel shall be under the general supervision of the Board of Directors and is expected to work under its guidance, and that on a day to day basis, the General Counsel shall report to the Chief Executive Officer.

Regulatory or Legal Sanctions

There are no regulatory or legal sanctions taken against the attorneys or firm.

Insurance

We understand that we will be required to carry professional liability insurance. Information about our insurance provider is included here:

Insurance Carrier: CNA

Limits of Liability: \$10M per claim; \$20M aggregate

Deductible: \$75,000

Hereby submitted

ARCHER NORRIS

Colin J. Coffey, Partner

FR007/4846-7689-6314-1



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Gerry Hinkley
tel: 213.488.7188
gerry.hinkley@pillsburylaw.com

November 7, 2016

Via Email

Ms. Lin Reed, MBA, OTR/L
Board President
Mark Twain Health Care District
P.O. Box 668
San Andreas, CA 95249

Re: Proposal for Legal Services

Dear Ms. Reed:

Thank you for this opportunity to express our interest in providing special legal counsel to Mark Twain Health Care District (the "District"). We understand that the District is contemplating its options as the end of its current long term arrangement with Dignity Health for operation of Mark Twain Medical Center approaches.

The unique nature of the District's relationship with Mark Twain Medical Center Corporation places the District Board and ultimately the voters of the District at a crossroads requiring it and them to contemplate the potential for a new relationship with Dignity Health or with another health system or renewed operation of Mark Twain Medical Center by the District. The challenges of the situation will require the District to assemble a team focused on and prepared to address political and financial realities, the evolving health care delivery environment, the health care needs of the District residents and legal and practical requirements for structuring the various alternatives.

As you and I have discussed, we at Pillsbury have experience providing legal representation to California health care districts in connection with these types of arrangements. Our experience ranges from implementation of the affiliation of Oak Valley Health Care District with Dignity Health; the competitive bid process, lease and ultimate transfer of Sequoia Hospital by Sequoia Health Care District to Dignity Health; aspects of the resumption of operation of Marin General Hospital by Marin Health Care District; and the lease of West Contra Costa Health Care District

Ms. Lin Reed, MBA, OTR/L
November 7, 2016
Page 2

facilities to Tenet Healthcare. It also includes experience in crafting arrangements for collaboration of Salinas Valley Memorial Health Care District with Stanford as well as assisting Salinas Valley in conducting a competitive process for affiliation in an open bidding process (which ultimately terminated without an affiliation) and representing El Camino Health Care District in a variety of collaborative arrangements, also with Stanford.

In this regard, we are accustomed to assisting our clients in fulfilling their obligations as public entities. We also bring to bear our experience in identifying and analyzing options for affiliation, managing negotiations, assisting in facilitating communications with constituencies, preparing resolutions and public disclosure documents as well as deal documents. We also bring our experience working with financial and business advisors as well as our clients' local counsel.

Our team includes myself (team leader), Allen Briskin (regulatory compliance), Ada Wall (transaction counsel), Glenn Snyder (real estate), Tom Makris (employment), Kathryn Donovan (political law), Julie Divola (tax) and Caitlin Stulberg (diligence, nonprofit law). I am attaching the team's CVs as well as a brochure that highlights our health law practice.

I look forward to meeting with representatives of the District at the Medical Center on November 16, 2016.

Very truly yours,



Gerry Hinkley
Partner

Attachments



Gerry Hinkley | Partner

gerry.hinkley@pillsburylaw.com

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Practice Areas/Industries

- Health Law
- Life Sciences
- Nonprofit Organizations
- Cybersecurity Task Force
 - Cybersecurity Assessment

Focus Teams

- Privacy, Data Security & Information Use

Gerry Hinkley is a partner in the law firm's Health Care practice and is Chair of the firm's Health Care Industry Team. After practicing in San Francisco for many years, he is now based in the Los Angeles office while maintaining his San Francisco practice. He has practiced in the health care industry for over 30 years. He represents clients throughout the industry and regularly serves as general counsel for health care organizations, with responsibility for corporate law and board governance matters, and manages the coordination of the broad range of services the firm provides for its health care clients.

Mr. Hinkley counsels hospitals and physician organizations regarding management of legal affairs, governance, regulatory compliance, reimbursement, capital finance, joint ventures and clinic development. He advises health information exchanges regarding governance, privacy, tax-exemption, user participation, consent and risk management.

Mr. Hinkley is recognized nationally as a leader in the health information technology field and offers clients extensive experience in information technology procurement. He counsels technology purchasers regarding license and service arrangements and dispute resolution.

Recent Matters

- Formation of regional clinic systems for hospital systems
- Establishment of health information exchange organizations



- Creation of joint ventures for academic medical centers to operate neonatal services in community hospitals
- Organization of skilled nursing care outsourcing program for hospital system
- Acquisitions of physician practices by hospital affiliated medical foundations

Honors & Awards

- *Chambers USA*, Healthcare: Transactional—National (2014-2016), Healthcare—California (2005-2016)
- *Best Lawyers in America*, Health Care Law (2007-2017)
- *Legal 500 US*, Data Protection and Privacy (2011-2014)
- *Best of the Best USA*, Healthcare, *Euromoney*/Legal Media Group (2011-2015)
- *Super Lawyers* (2005-2015)

Education

J.D., University of California, Hastings College of the Law, 1975

B.A., University of California, Santa Barbara, 1971

Admissions

State of California

State of New York

Affiliations

Chair, Legal Task Force, Health Information Management Systems Society, 2011-2015

Markle Connecting for Health Steering Group, 2006-2012

eHealth Initiative Leadership Council, 2008-2013

Founder, Bay Area Health Care Breakfast Club

Speaking Engagements

“Structuring Business Associate Agreements for Covered Entities and Business Associates,” Strafford Webinar, December 21, 2015

“The Privacy & Security Forum,” HIMSS, Boston, MA, December 1-3, 2015



"Challenges Working With, or Being, A HIPAA Business Associate," HIMSS 2015, Chicago, IL, April 14, 2015

"Cross Border Concerns: Cybersecurity, Data Ownership & EU/US Privacy Regulations," mHealth Summit, National Harbor, MD, December 8-10, 2014

"The Privacy & Security Forum," HIMSS, San Diego, CA, June 16-17, 2014

Health Evolution Partners – Leadership Summit 2014, Dana Point, CA, April 30-May 2, 2014

"Health Care Industry Session," RIMS 2014 Annual Conference & Exhibition, Denver, CO, April 29, 2014

"Innovative Pediatric Hospital/Provider and Payer Partnerships," American Health Lawyers Association's Webinar, March 3, 2014

"Developments and Trends in Patient Privacy," HIMSS 14 Annual Conference & Exhibition, Orlando, FL, February 26, 2014

"Impact of Health Care Reform on Health Care Providers," Lorman Education Services Webinar, September 19, 2013

"Business Associate Obligations and Agreements after HIPAA Omnibus Rule," Lorman Education Services Webinar, September 10, 2013

"Policy/Privacy Issues in the Era of Big Data & Analytics," 2013 National Forum on Data & Analytics in Healthcare, August 2, 2013

"Cybersecurity in the Health Care Sector: HIPAA Responsibilities from a Legal and Compliance Perspective," Pillsbury Privacy Webinar, July 23, 2013

"The Final Omnibus Privacy Rule and Proposed Accounting of Disclosures Rule: Analysis, Implementation and Predictions," Health Care Privacy and Security Forum, May 22, 2013

Health Evolution Partners – Leadership Summit 2013, May 15-17, 2013

"Developments and Trends in Patient Privacy," HIMMS Annual Meetings, March 4, 2013

"Is Your Company Ready? Legal and Privacy Implications of the HIPAA Final Omnibus Rule," Pillsbury Privacy Webinar, February 19, 2013

Event Co-Chair, ACI Healthcare Information Privacy and Security Forum, December 6-7, 2012, Philadelphia

"The Final Omnibus Privacy Rule and Proposed Accounting and Disclosure Rule: Predictions, Analysis and Implementation," Health Care Privacy and Security Forum, Thursday, December 6, 2012



"Planning for and Responding to a Health Information Data Breach," Thursday, July 12, 2012

"Effective Handling of Breach Notifications," HIMSS Virtual Event, March, 28, 2012

Event Co-Chair, ACI Healthcare Information Privacy and Security Forum, December 5-6, 2011, Philadelphia

TiEcon 2011, Santa Clara County Convention Center, May 14, 2011, "The Coming Decade: Opportunities Created by the Connected and Informed Patient and Provider"

"ACO Health Information Technology," The IPA Association of America 16th Annual National Meeting, San Antonio, TX, March 31 & April 1, 2011

"New Patient Privacy and Consent Standards for a Connected World," HIMSS Annual Conference & Exhibition, Orlando, FL, February 20-24, 2011

"State Activity Perspective," HIMSS Annual Conference & Exhibition, Orlando, FL, February 20-24, 2011

External Publications

Pre-Insolvency Planning Is Key for Employers with Self-Funded Health Plans, *LinkedIn*, Authors: Allen Briskin, Gerry Hinkley, 9/11/2015

Ancillary Joint Ventures Involving Taxable and Tax-Exempt Health Care Entities: Addressing the Chilling Effect of IRS Inaction, *AHLA Connections*, Authors: Gerry Hinkley, Allen Briskin, Caitlin Bloom Stulberg, November 2014

Offshoring Health Information: Issues and Lingering Concerns
Source: American Health Lawyers Association's Journal of Health & Life Sciences Law, *American Health Lawyers Association's Journal of Health & Life Sciences Law*, Authors: Allen Briskin, Gerry Hinkley, Joseph E. Kendall, Lisa C. Earl, October 2014

Form of Entity and Legal Structure, *Accountable Care Newsletter – Special Edition on ACO Regulations*, Authors: Gerry Hinkley, Allen Briskin, Benjamin A. Wiles, April 2011

Major Changes to HIPAA Privacy, Security, and Enforcement Rules Proposed by HITECH Privacy NPRM, *Health IT Law & Industry Report*, Authors: Gerry Hinkley, Allen Briskin, Douglas Grimm, August 9, 2010

Firm Publications

A Lifelong Commitment: FDA Releases Postmarket Guidance on Cybersecurity Risk Management for Medical Device Manufacturers, Authors: Brian E. Finch, Gerry Hinkley, Caitlin Bloom Stulberg, Kristi V. Kung, 2/11/2016

Keeping it Legal: Managing FDA Compliance for Consumer-Generated Content, Authors: Gerry Hinkley, Caitlin Bloom Stulberg, 11/24/2015



Proper Planning Can Ease Stalking Horse's Due Diligence Burden in a Section 363 Sale, *LinkedIn*, Author: Gerry Hinkley, 11/11/2015

Time for Self-Funded Employer Health Plans, TPAs to Take Data Breach Issues Seriously, Authors: Allen Briskin, Gerry Hinkley, 2/9/2015

Addressing Employee Health and Wellness, Author: Gerry Hinkley, 1/13/2015

Cybersecurity in the Health Care Sector: HIPAA Responsibilities from a Legal and Compliance Perspective, Authors: Gerry Hinkley, Allen Briskin, 7/23/2013

Omnibus Final Rule Issued on HIPAA/ HITECH Act: Significant Changes for 'Business Associates', Authors: Gerry Hinkley, Allen Briskin, Caitlin Bloom Stulberg, 2/7/2013

CMS Bundled Payment Initiative Represents Opportunity to Participate in New Models of Care, Authors: Gerry Hinkley, Allen Briskin, Linda Kotis, 8/26/2011

FCC Seeks Industry and Tribal Input on New Programs to Fund Rural and Tribal Health Care Broadband Services, Authors: Gerry Hinkley, Glenn S. Richards, Lauren Lynch Flick, 7/2010

Allen Briskin | Senior Counsel

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Practice Areas/Industries

- Nonprofit Organizations
- Education
- Life Sciences
- Health Law
- Cybersecurity Task Force
 - Cybersecurity Assessment

Focus Teams

- Privacy, Data Security & Information Use

Allen Briskin is counsel in the law firm's Health Care & Life Sciences practice and is located in the Los Angeles office. He has 25 years of experience representing for-profit, nonprofit and government health care clients in organizational, regulatory, corporate and business matters, emphasizing health information exchange network development, hospital operations and hospital-physician alignment, managed health care and other health-plan and health-insurance issues. He represents hospitals and health systems, large medical groups, health information exchange organizations, managed care payors and others in regulatory compliance, licensing and contracting matters.

Mr. Briskin is a principal author of the *Markle Connecting for Health Common Framework: Model Contract for Health Information Exchange*, and was a member of the founding steering committee of the California e-Health Collaborative.

Recent Matters

- Advises hospitals and other health care providers in matters of governance, regulatory compliance, managed care contracting and reimbursement, and physician alignment strategies
- Advises health information exchange organizations in matters of governance, privacy, patient consent, user participation, risk management, and dispute resolution



Honors & Awards

- *Best Lawyers in America*, Health Care Law (2011-2017)
- *Legal 500 US*, Data Protection and Privacy (2011-2014)

Education

J.D., University of California, Berkeley, Boalt Hall School of Law, 1982

A.B., University of California, Berkeley, 1979, with highest honors, Phi Beta Kappa

Admissions

State of California

Speaking Engagements

“Structuring Business Associate Agreements for Covered Entities and Business Associates,” Strafford Webinar, December 21, 2015

External Publications

Pre-Insolvency Planning Is Key for Employers with Self-Funded Health Plans, *LinkedIn*, Authors: Allen Briskin, Gerry Hinkley, 9/11/2015

The Doctor is in, but Your Medical Information is Out, *The Journal of the Antitrust and Unfair Competition Law Section of the State Bar of California*, Vol. 24, No. 1,, Authors: Allen Briskin, Joseph Tiffany, Spring 2015

Ancillary Joint Ventures Involving Taxable and Tax-Exempt Health Care Entities: Addressing the Chilling Effect of IRS Inaction, *AHLA Connections*, Authors: Gerry Hinkley, Allen Briskin, Caitlin Bloom Stulberg, November 2014

Offshoring Health Information: Issues and Lingering Concerns
Source: American Health Lawyers Association’s Journal of Health & Life Sciences Law, *American Health Lawyers Association’s Journal of Health & Life Sciences Law*, Authors: Allen Briskin, Gerry Hinkley, Joseph E. Kendall, Lisa C. Earl, October 2014

Form of Entity and Legal Structure, *Accountable Care Newsletter – Special Edition on ACO Regulations*, Authors: Gerry Hinkley, Allen Briskin, Benjamin A. Wiles, April 2011

Major Changes to HIPAA Privacy, Security, and Enforcement Rules Proposed by HITECH Privacy NPRM, *Health IT Law & Industry Report*, Authors: Gerry Hinkley, Allen Briskin, Douglas Grimm, August 9, 2010



Firm Publications

Time for Self-Funded Employer Health Plans, TPAs to Take Data Breach Issues Seriously, Authors: Allen Briskin, Gerry Hinkley, 2/9/2015

No Harm, No Foul – Appellate Court Finds No CMIA Claim Without Actual Injury, Authors: Allen Briskin, Joseph Tiffany, Connie J. Wolfe, 7/29/2014

California Court Limits Liability for Loss of Certain Patient Information under CMIA, Authors: Allen Briskin, Joseph Tiffany, Connie J. Wolfe, 7/8/2014

Cybersecurity in the Health Care Sector: HIPAA Responsibilities from a Legal and Compliance Perspective, Authors: Gerry Hinkley, Allen Briskin, 7/23/2013

Omnibus Final Rule Issued on HIPAA/ HITECH Act: Significant Changes for 'Business Associates', Authors: Gerry Hinkley, Allen Briskin, Caitlin Bloom Stulberg, 2/7/2013

CMS Bundled Payment Initiative Represents Opportunity to Participate in New Models of Care, Authors: Gerry Hinkley, Allen Briskin, Linda Kotis, 8/26/2011

HHS Proposes a Major Rewriting of HIPAA Rules for Accountings of Disclosures, Authors: Allen Briskin, Quinn A. Arntsen, June 9, 2011



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Practice Areas/Industries

- Finance
- Corporate & Securities
 - Mergers & Acquisitions
 - Private Equity
- Energy
- Health Law
- Global Pharma

Ada Wall is an senior associate in the law firm's Finance practice and is located in the San Francisco office. Her practice includes debt financing, private equity financing, and mergers and acquisitions, with special focus on the energy and health care industries.

Ms. Wall represents borrowers in obtaining debt financing, including secured commercial loans, leveraged equipment leases, project finance, and acquisition financing. Ms. Wall's transactional experience also includes a variety of business combinations, including mergers, stock and asset purchases, and divestitures, as well as private equity financing.

Ms. Wall also practices in the area of non-profit corporate law, including pro bono representation of charitable organizations in the Bay Area.

Before law school, Ms. Wall completed doctoral level coursework in Economics at UC Berkeley, with a focus on energy economics and public finance.

Education

J.D., Stanford Law School, 2009

B.A., Stanford University, 2002

Admissions

State of California

Representative Transactions include:

- Divestiture of coal mining assets by a supermajor energy company



- Non-recourse project financing of wind power assets for a leading developer and operator of renewable energy facilities
- Tax equity investment in a geothermal facility by a supermajor energy company
- Acquisition of wind power assets for a leading developer and operator of renewable energy facilities
- Sale of privately held consumer products company through a competitive bidding process
- Acquisition of health care management and technology company by a major health care services company
- Acquisitions of physician practices by a major hospital-affiliated medical foundation
- Private equity financing of a health care technology company
- Purchase of a portfolio of pharmaceutical companies by a leading direct secondary firm
- Multi-currency revolving credit facilities for a supermajor energy company
- Debt financing for a strategic asset acquisition by a consumer products company

Firm Publications

California Finally Establishes Market for Tradable Renewable Energy Credits (TRECs), Authors: Michael S. Hindus, Ada Chen Wall, Matt Hallinan, 1/27/2011



Glenn Q. Snyder | Partner

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Practice Areas/Industries

- Real Estate
 - Distressed Real Estate
 - REITs & Real Estate Capital Markets
- Restaurant, Food & Beverage
- Travel, Leisure & Hospitality
- Wine, Beer & Spirits Law
- Corporate & Securities
 - Investment Funds & Investment Management
- Climate Change & Sustainability
- Energy
 - Renewable Energy
- China

Focus Teams

- Unmanned Aircraft Systems (UAS)
- Water Resources
- Public-Private Partnerships

Mr. Snyder is a partner in the law firm's Real Estate practice and is located in the San Francisco office. His practice includes real estate transactions and project development, equity and debt structuring for investment and projects, commercial finance, and insolvency matters and workouts.

In the real estate area, Mr. Snyder focuses on negotiating and documenting complex portfolio acquisitions and financings (including sale-leasebacks) and structuring multitiered equity and debt financing transactions. He also regularly represents landlords and tenants in commercial and industrial lease transactions, and borrowers and lenders in mortgage loan transactions. In more than 30 years of real estate practice, Mr. Snyder has been involved in the acquisition, financing, development and operation of a broad range of property types, including office, retail, industrial, multifamily residential and resort investment properties, as well as timber, mining, agricultural and energy projects. Mr. Snyder also has extensive experience in dealing with environmental issues affecting real estate.

Mr. Snyder also focuses on corporate real estate, regularly representing users in the acquisition, development, leasing and financing of facilities of all types, including office, research and development, industrial and agricultural.

Mr. Snyder's experience in commercial finance covers secured and unsecured revolving credit facilities and term loans as well as project financing. He has also represented borrowers, lenders, landlords and other parties in workouts and insolvency matters.



Mr. Snyder has served as a member and Vice-Chair of the California State Bar Real Property Section Executive Committee. Mr. Snyder has served as a member of the firm's San Francisco Office Management Committee. From 2000 to 2002, Mr. Snyder was the Managing Partner of the San Francisco office.

Recent Matters

- Representation of institutional real estate investments companies in acquisitions and dispositions of hundreds of properties, including dozens of sale-leaseback transactions and tax-deferred exchanges.
- Representation of property owners in debt and equity financings and recapitalizations of portfolios and single properties and projects, including structuring and documentation of investment funds and joint ventures, partnership roll-ups, REIT contribution transactions, synthetic leases, project financings and lease revenue bond financings.
- Representation of developers of office, research, industrial and infrastructure projects.
- Representation of lenders in origination, workouts and enforcement of real estate, commercial, corporate and project financings.
- Representation of pension funds and other institutions in a broad range of real estate and other investment activities.
- Representation of corporate sellers and acquirors in real estate and corporate aspects of mergers and acquisitions.

Honors & Awards

- *Legal 500 US*, Real Estate: Transactions & Finance—Northern California (2007)
- Middle-Market M&A Award, Consumer and Retail Products—Finalist, *M&A Advisor* (2008)
- Best Office Lease of the Year, *San Francisco Business Times* (2009)

Education

J.D., University of California, Hastings College of the Law, 1984

M.A., University of California, Berkeley, 1981

B.A., University of California, Santa Cruz, 1977

Admissions

State of California



Affiliations

California State Bar Real Property Law Section (former member of the Executive Committee)

Firm Publications

A Starter Guide to Doing Business in the United States, Authors: Nancy A. Fischer, Jeffrey R. Gans, Sheila McCafferty Harvey, Kirke M. Hasson, Aaron R. Hutman, David A. Jakopin, Justin Krawitz, Michael G. Lepre, Michael S. McNamara, Rebecca Carr Rizzo, Susan P. Serota, Thomas M. Shoemsmith, Woon-Wah Siu, Glenn Q. Snyder, C. Brian Wainwright, Lu Wang, Paula M. Weber, Andrew D. Weissman, Reza Zarghamee, 2016

Enhanced Infrastructure Districts: A Flexible New Tool for Local Governments, Authors: Glenn Q. Snyder, Matthew F. Valdez, 4/13/2015

Doing Business in the U.S. - Focus on Chinese Companies, Authors: Stephan E. Becker, Benjamin J. Cote, Nancy A. Fischer, Jeffrey R. Gans, Kirke M. Hasson, Aaron R. Hutman, David A. Jakopin, Michael G. Lepre, Michael S. McNamara, Jerry W. Ross, Susan P. Serota, Thomas M. Shoemsmith, Woon-Wah Siu, Glenn Q. Snyder, C. Brian Wainwright, Lu Wang, Reza Zarghamee, Louis A. Bevilacqua, Keith D. Hudolin, Christine Nicolaidis Kearns, Jerry W. Ross, Joseph R. Tiano, Jr., Kimberly A. Harshaw, 4/16/2013

Perspectives on Real Estate, Authors: Glenn Q. Snyder, Kimberly C. Moore, Jeffrey A. Knight, Josephine S. Lo, Ignacio Barandiaran, H. Carl Moultrie III, William A. Wilcox Jr., Daniel S. Herzfeld, Summer 2011

Bringing Entrepreneurship to Public Projects: An Interview with Edgemoor Real Estate Services, Author: Glenn Q. Snyder, Summer 2011

Perspectives on Real Estate, Authors: Peter G. Freeman, Laura E. Hannusch, Elizabeth Vella Moeller, Dana Proud Newman, Patrick J. Potter, Glenn Q. Snyder, Susan Ormand Berry, William C. Bowers, Christina Cole, Jerry L. Hall, Robert (Robin) C. Jones, Jr., H. Carl Moultrie III, Michael G. Silver, Marjorie Fisher Gannett, Spring 2009

Thomas N. Makris | Senior Counsel

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Practice Areas/Industries

- Employment
 - Employment Advice & Counseling
- Intellectual Property
- Technology
- Health Law

Tom Makris is a senior counsel in the law firm's Employment practice and is located in the Sacramento and Silicon Valley offices. He has over 30 years of experience in employment-related litigation and counseling including wage and hour disputes, wrongful termination, sexual harassment, employment discrimination, employment-related torts, and copyrights, trademarks, and trade secrets disputes.

Mr. Makris provides counseling on compliance issues including wage and hour audits, EEO compliance, leaves of absence, and ADA accommodation issues, as well as general policies and procedures. He provides tactical support for decisions that employers need to make quickly regarding employee terminations and discipline, harassment and discrimination complaints (including performing investigations), leave requests, and demands for accommodation. Mr. Makris also assists clients with long-range strategic issues, such as structuring bonus and other executive compensation plans, severance programs, and strategies for protection of intellectual property.

Mr. Makris aids his clients in avoiding liability related to hiring decisions and employment contracts, compensation, leaves, discipline, internal investigations, and terminations, and layoff decisions. Mr. Makris assists clients in negotiating, drafting and implementing effective employment and executive contracts, employee policies and handbooks, and other employment documentation.

Mr. Makris counsels clients in a variety of industries including high-tech, such as software, hardware and biotech; non-profit services; finance and banking; airlines; agricultural; telecommunications; and health care.

Mr. Makris was certified as a Senior Professional in Human Resources by the Human Resource Certification Institute. He has spoken on a wide-range of topics, including employment discrimination law, use and abuse of independent contractor relationships, wage and hour law, family and medical leave, the Americans with Disabilities Act, and current legislative and regulatory issues. Mr. Makris is a co-author and legal consultant for The Mutual Respect Program, a video based sexual harassment training and prevention program.



Honors & Awards

- Martindale-Hubbell, AV® Rated

Education

J.D., University of California, Berkeley, Boalt Hall School of Law, 1981

B.A., University of Colorado, 1977

Admissions

State of California

Seminars and Speaking Engagements

Employment Law-Related

"Employment Law Outlook 2015" Presentation, San Francisco; February 2015

"Employment Law Outlook 2015" Presentation, Silicon Valley; February 2015

"Employment Law Outlook 2014" Presentation, Silicon Valley; March 2014

"Employment Law Outlook" Presentation, February 2013

"Employment Law Outlook" Presentation, February 2012

"Social Media, the Internet and the Legal Implications for Managing and Hiring Employees," Pillsbury Employment & Labor Practice Breakfast Briefing, September 2011

"Employment and Benefits Issues in Acquisitions," Pillsbury M & A Training Series (Practice Area Specialties) May 2011

"Employment Law Outlook 2011," Pillsbury Employment & Labor Practice Breakfast Briefing, January 2011

"Independent Contractor Misclassification," Pillsbury Employment & Labor Practice Breakfast Briefing, June 2010

"Employment Law Outlook 2010," Pillsbury Employment & Labor Practice Breakfast Briefing, January 2010

"Exemption Audits: Minimize Your Exposure to Costly Back Pay Claims by Conducting an Effective Self-Audit," Seminar - BLR/ERI, May 2009

"Strategies for Reducing Employee Costs and Reductions In Force," Pillsbury's BackStage Pass Program, 30-Apr-2009



"Strategies for Reducing Employee Costs and Reductions In Force," Pillsbury's Employment Law WebEx Briefing, 05-May-2009

"2009 Employment Law Update," Pillsbury Employment & Labor Practice Breakfast Briefing, January 2009

"Drafting Invention Assignment, Non-Disclosure and Non-Competition Agreements," Conference session—Silicon Valley Association of General Counsel All Hands Meeting, December 2008

"Disability Accommodation – 2008," Breakfast briefing – PWSP, November 2008

"The ADA Amendments Act Of 2008," Seminar - BLR/ERI, September 2008

"Workplace Privacy The Legal Issues Every Employer Needs to Understand," Webinar – PWSP, September 2008

"Exempt or Non-Exempt? FLSA and State Law Employment Classification Lawsuits on the Rise," Webinar - Strafford Publications, July 2008

"Protecting Trade Secrets/Preventing Competition By Former Employees: How Far Can Companies Go?," Breakfast briefing – PWSP, June 2008

"Wage and Hour Litigation - Overtime Exemptions: Basics and Nuances," Bridgeport CLE Conference Session, February 2008

"Elimination of Bias in the Legal Profession," Pillsbury CLE Marathon Seminar, January 2008

"2008 Employment Law Update," Pillsbury Employment & Labor Practice Breakfast Briefing, January 2008

"Internal Investigations," – Employer Resource Institute Conference Session, December 2007

"Separation Agreements for Tech Companies," Conference session—Silicon Valley Association of General Counsel All Hands Meeting, December 2007

"2007 Wage-Hour Update," Pillsbury Employment & Labor Practice Breakfast Briefing, October 2007

"How to Avoid Overtime Classification Mistakes in California," Employer Resource Institute, Four-part Seminar – July/August 2007

"Start-ups: The Top 10 Employment Mistakes," Pillsbury Employment & Labor Practice Breakfast Briefing, June 2007

"2007 Employment Law Update," Pillsbury Employment & Labor Practice Breakfast Briefing, January 2007

"Elimination of Bias in the Legal Profession," Pillsbury CLE Marathon Seminar, January 2007



Professional Memberships and Certifications

California Bar Association (CSB No. 104668) 1982-Present

Bar Association of San Francisco (BASF No. 13971) 1982-2000

Bar Association of Sacramento (SCBA No. 104668) 2000-2008

California Employer Advisor – Editorial Board 2005-2008

California Wage and Hour Advisor – Editorial Board 2006-2008

Northern California Human Resources Association (NCHRA No. 5914), 1991-2010:

- Member, Legislative Affairs Committee, (Chairman 1994-1997)
- Member, Board of Directors, 1997-2003
- Vice President for External and Legislative Relations, 1999-2000
- President, 2002

Society for Human Resource Management (Member No. 305875-95) 1995-Present:

- Member, Legislative Action Committee, 1999-2001
- Senior Professional in Human Resources, 1999-2005

American Arbitration Association, 1995-1999

Employment Training Materials

“Mutual Respect: A Positive Approach to Preventing Sexual Harassment” – This video and print product provides a fully integrated sexual harassment training and prevention program for mid-sized employers. Co-author, legal consultant and on camera expert (1999)

“Work Place Discrimination” – A Web based, interactive employment discrimination product. Co-author and legal consultant (2000)

External Publications

Final Wellness Regulations Create New Program Categories and Complications, *Employee Benefit Plan Review*, Authors: Christine L. Richardson, Thomas N. Makris, Matthew C. Ryan, November 2013



Firm Publications

New California Legislation Mandates Paid Sick Days for Employees, Authors: Paula M. Weber, Laura K. Latham, Thomas N. Makris, Erica N. Turcios, 9/19/2014

New Threat to "Bring Your Own Device" Policies: Employer Required to Reimburse Personal Cell Phone Expenses, Authors: Thomas N. Makris, Paula M. Weber, Erica N. Turcios, 9/3/2014

California Supreme Court Ruling Limits Commission Wage Allocation, Authors: Paula M. Weber, Thomas N. Makris, Osama E. Hamdy, 7/17/2014

Final Wellness Regulations Create New Program Categories and Complications, Authors: Christine L. Richardson, Thomas N. Makris, Matthew C. Ryan, 8/27/2013

7th Circuit Holds Successor Liable for FLSA Claims, Despite Buyer's Disclaimer, Authors: Paula M. Weber, Leo T. Crowley, Thomas N. Makris, Alexander K. Parachini, 4/11/2013

Wellness Programs: Keeping Up With the Times, Authors: Christine L. Richardson, Thomas N. Makris, Marta K. Porwit, 12/28/2012

Drawing the Line Online: Employers' Rights to Employees' Social Media Accounts, Authors: Julia E. Judish, Thomas N. Makris, Amy L. Pierce, James G. Gatto, 10/16/2012

Recently Enacted Legislation of Interest to California Employers, Authors: Thomas N. Makris, Ellen Connelly Cohen, 10/5/2012

Caution: New Ruling Muddles Administrative Exemption to California's Overtime Laws, Authors: Kathryn A. Nyce, Thomas N. Makris, 8/6/2012

California Employers Get a Break on Meal and Rest Claims But Still Face Class Action Filings, Authors: Paula M. Weber, Thomas N. Makris, Darcy L. Muilenburg, Kathryn A. Nyce, Erin C. Carroll, 4/18/2012

California Appellate Courts Give Employers Some Comfort on the Enforceability of Releases of Wage Claims, Authors: Thomas N. Makris, 4/27/2009

"California Employers Are Required To Provide Mandatory Sexual Harassment Training, Commencing In 2005", Authors: Thomas N. Makris, George S. Howard, Dec-2004

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Practice Areas/Industries

- Public Policy
- Political Law

Kathy Donovan is a senior counsel in the law firm's Public Policy & Political Law practices and is located in the Sacramento office. She focuses on law regulating campaign contributions, lobbying and government ethics. Ms. Donovan initially joined the firm in 1991. She returned to the firm in 2012, after serving as Chief Counsel to the California State Assembly Legislative Ethics Committee from 2007 through 2011, where she advised Assembly Members and legislative staff about compliance with state ethics laws.

Ms. Donovan has worked extensively with corporations, trade associations, political action committees, elected officials and public agencies on all aspects of compliance with political laws. She also has served as an expert witness in litigation involving California's conflict of interest and campaign disclosure laws.

Prior to 1991, Ms. Donovan served as General Counsel to the California Fair Political Practices Commission (FPPC), the state agency charged with interpretation and administration of laws regulating state and local election campaigns, state lobbying, and ethics for state and local public officials in California. She also is a member and past president of the California Political Attorneys Association.

Education

J.D., University of California, Los Angeles, School of Law, 1980

B.A., Occidental College, 1976

Admissions

State of California

Firm Publications

DC Circuit Upholds FEC's Limited Disclosure Rule for Corporations and Labor Unions, Authors: Frederick K. Lowell, Anita D. Stearns Mayo, Kathryn E. Donovan, 1/28/2016

D.C. Circuit Upholds 44-Year-Old Ban, Authors: Frederick K. Lowell, Emily B. Erlingsson, Anita D. Stearns Mayo, Kathryn E. Donovan, 7/10/2015



Pillsbury Publishes Go-To 2014 Election Guide, Authors: Frederick K. Lowell, Kathryn E. Donovan, Anita D. Stearns Mayo, Emily B. Erlingsson, Elizabeth Vella Moeller, The Honorable Gregory H. Laughlin, Brian E. Finch, Craig J. Saperstein, Graham G. Wisner, Aimee P. Ghosh, Anita Epstein, October 2014

Ramifications of the Supreme Court's *McCutcheon* Campaign Finance Ruling, Authors: Frederick K. Lowell, Emily B. Erlingsson, Kathryn E. Donovan, Anita D. Stearns Mayo, 4/2/2014

Pillsbury Publishes Go-To 2012 Election Guide, Authors: Kathryn E. Donovan, Emily B. Erlingsson, The Honorable Gregory H. Laughlin, Frederick K. Lowell, Anita D. Stearns Mayo, Elizabeth Vella Moeller, Craig J. Saperstein, November 2012

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Practice Areas/Industries

- Tax
 - Corporate & Business Transactions
 - Federal Tax Controversy & Tax Policy
 - Real Estate & Partnership Taxation
- Corporate & Securities
 - Private Equity
- Litigation
 - Federal Tax Controversy & Tax Policy
- Technology
- Virtual Worlds & Video Games

Julie Divola is leader of the law firm's San Francisco Tax practice. She is experienced in federal income tax planning for business and financial transactions. Her practice focuses on corporate and partnership taxation with particular emphasis on domestic and cross-border mergers, acquisitions and restructurings.

Ms. Divola serves as outside tax counsel to a number of public companies including Amazon.com, Inc. and Electronic Arts Inc.

Ms. Divola is active in the American Bar Association's Section of Taxation, where she serves as Vice Chair (Publications) and Editor-in-Chief, *The Tax Lawyer*. She also serves as a member of the advisory board of the New York University Institute of Federal Taxation, a member of the Wolters Kluwer Law & Business (CCH), Legal Tax Advisory Board, and as a member of the editorial board of the *Practical Tax Lawyer*. She is a Fellow of the American College of Tax Counsel and a Fellow of the American Bar Foundation. She formerly served as Council and Chair of the Corporate Tax Committee and as a member of the Nominating Committee of the ABA Section of Taxation. She is former Vice Chair of the Executive Committee of the California State Bar Association Tax Section, where she also chaired the Corporate Committees and the Passthroughs Committee and is a past president of the San Francisco Tax Club.

Ms. Divola teaches Corporate Tax as a Lecturer at UC Berkeley School of Law. She previously taught Corporate Tax as a Visiting Professor at the UC Davis School of Law and Tax Policy as an Adjunct Professor at the University of San Francisco School of Law. She has published numerous articles and frequently lectures on transactional tax issues before various professional groups, including the American Bar Association, ALI-ABA, Practising Law Institute, New York University Institute on Federal Taxation, Tax Executives Institute, Texas Tax Institute, USC Tax Institute and the annual merger and acquisition tax institute co-sponsored by Penn State Dickinson School of Law and the New York City Bar.



Ms. Divola is Secretary and a Trustee for the van Löben Sels/Rembe Rock Foundation (a private foundation that promotes social justice issues).

Honors & Awards

- *Chambers USA*, Tax—California (2003-2016)
- *Best Lawyers in America*, Tax Law (2006-2017)
- *Legal 500 US*, Domestic Tax (2011-2015), Tax Non-Contentious (2016)
- *United States Lawyer Rankings*, The Nation's Top Lawyers—The Nation's Top Ten Tax Lawyers (2013-2015)
- *Who's Who Legal*, Tax—San Francisco (2011-2015)
- *Super Lawyers* (2004-2015)

Education

J.D., University of San Francisco School of Law, 1986, *summa cum laude*, 1st in class

B.A., University of California, Santa Barbara, 1980

Admissions

State of California

Affiliations

American Bar Association Tax Section: Vice Chair (Publications); Editor-in-Chief, *The Tax Lawyer*; Past Council Director; Past Member, Nominating Committee; Past Chair, Corporate Tax Committee

NYU Institute on Federal Taxation, Advisory Board Member

Practical Tax Lawyer, Editorial Board, Member

Wolters Kluwer Law & Business (CCH), Legal Tax Advisory Board, Member

van Löben Sels/Rembe Rock Foundation, Secretary and Trustee; Past Chair of the Audit Committee

American College of Tax Counsel, Fellow

American Bar Foundation, Fellow

ALI-ABA Annual Course of Study on Corporate Taxation, Past Co-Chair

California State Bar Association (Tax Section): Past-Vice Chair, Executive Committee; Past-Chair, Corporate Tax/Corporate Tax Counsel Committee; Past Chair, Passthroughs and Real Estate Tax Committee

San Francisco Tax Club, Past President

Representative Speaking Engagement

- Compensatory Interests and Other Arrangements Including Options and Phantom Equity, PLI Seminar: Tax Planning for Domestic & Foreign Partnerships, LLCs, Joint Ventures & Other Strategic Alliances 2016, Speaker, 8-June-2016
- M&A Structures: Joint Ventures, Pass-Throughs & Disregarded Entities, 31st Texas Federal Tax Institute, Panelist, 11-June-2015
- Partnership and LLC Compensatory Interests Including Options, PLI Seminar: Tax Planning for Domestic & Foreign Partnerships, LLCs, Joint Ventures & Other Strategic Alliances 2015, Speaker, 10-June-2015
- Public and Private Spin-offs, American Bar Association 2015 Business Law Section Spring Meeting, Panelist, 16-April-2015
- Partnership and LLC Compensatory Interests Including Options, Practising Law Institute's Tax Planning for Domestic & Foreign Partnerships, LLCs, Joint Ventures & Other Strategic Alliances 2014 Seminar, Panelist, 10-June-2014
- Corporate Tax Committee, American Bar Association Section of Taxation 2014 May Meeting, Panelist, 10-May-2014
- Closing Business Transactions Part I: A Detailed Examination of Structuring and Negotiating, Practising Law Institute's Pocket MBA Summer 2014: Finance for Lawyers and Other Professionals Seminar, Panelist, 6-May-2014
- Mergers and Acquisitions Tax Primer, ALI-ABA Corporate Taxation: Tax Planning for Mergers, Acquisitions, and Other Transactions Seminar, Speaker, 26-March-2014
- Tax Reform for Dummies: What Every Business Lawyer Should Know, Business Law Section at the American Bar Association Annual Meeting, Panelist, 11-August-2013
- Tax Planning for Domestic & Foreign Partnerships, LLCs, Joint Ventures & Other Strategic Alliances 2013, Practising Law Institute Seminar, Speaker 11-June-2013 and 30-April-2013
- Optional Introductory Lecture: Mergers and Acquisitions Tax Primer, ALI-ABA CLE Course of Study - Corporate Taxation, Presenter, 3-April-2013



- Current Developments in Subchapter C, American Bar Association Section of Taxation 2013 Midyear Meeting, Panelist, 26-January-2013
- Current Developments in Corporate Taxation, 2012 Annual Meeting of the California Tax Bar & California Tax Policy Conference, Presenter, 2-November-2012
- 'Picnic Lunch' Program: Partnership and LLC Compensatory Interests Including Options, Practising Law Institute's Tax Planning for Domestic & Foreign Partnerships, LLCs, Joint Ventures & Other Strategic Alliances 2012 Program, Presenter, 13-June-2012
- M&A Structures with Joint Ventures, Pass-Throughs, and Disregarded Entities, 28th Annual Texas Federal Tax Institute Program, Presenter, 7-June-2012
- Tax Considerations, Practising Law Institute's Acquiring or Selling the Privately Held Company 2012 Program, Presenter, 8-May-2012
- Mergers and Acquisitions Tax Primer, ALI-ABA CLE Course of Study, Presenter, 25-March-2012
- Tax Opinions: What Does It Cost You and What Is It Worth to Your Client?, American Bar Association Section of Taxation 2012 Midyear Meeting, Panelist, 18-February-2012

Firm Publications

Codification of the Economic Substance Doctrine: Bright Lines May Create New Uncertainties for Tax-Sensitive Transactions, Authors: James T. Chudy, Julie A. Divola, Thomas D. Morton, Dana Proud Newman, Nora E. Burke, 3/24/2010

5th Circuit Decision Highlights Tax Loss Carryforwards' Effect on M&A Deals, Authors: James T. Chudy, Julie A. Divola, 3/9/2010

New Rules Governing Written Tax Advice, Authors: Julie A. Divola, 6/29/2005

Tax Aspects of Mergers & Acquisitions: "Spin-Offs - Section 355(e)" - PowerPoint Presentation, Authors: Julie A. Divola, 5/5/2005

Disposition of Overleveraged Real Estate: Thinking Outside the Box, Authors: Julie A. Divola, 11/16/2004

Current Corporate Developments, Authors: Julie A. Divola, 11/6/2004

Recent Corporate Tax Developments, Authors: Julie A. Divola, 10/14/2004

Boot Distributions in Reorganizations, Authors: Julie A. Divola, 10/2/2004

Exit Strategies, Authors: Julie A. Divola, 11/4/2003





Caitlin Bloom Stulberg | Associate

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Fax +1.415.983.1200



Practice Areas/Industries

- Health Law
- Corporate & Securities

Caitlin Stulberg is an associate in the law firm's Health Care practice and is located in the San Francisco office. She advises on a wide variety of federal and state regulatory issues and transactional matters for clients in the healthcare industry, including hospitals and health systems, physician organizations, ambulatory surgical centers, drug and device manufacturers and trade associations. Ms. Stulberg's experience includes counseling clients on HIPAA and state privacy law, federal and state health care fraud and abuse statutes, corporate practice of medicine restrictions, licensure and certification, and FDA law. In addition, Ms. Stulberg has worked on a variety of federal and state tax exemption related matters and provides technical advice to nonprofit organizations regarding entity formation and recognition of federal and state tax-exempt status, as well as operational, transactional and strategic issues that may arise over the course of the nonprofit organization's existence. Ms. Stulberg also provides contract drafting and deal structuring advice and regulatory due diligence on a variety of transactional matters, including mergers and acquisitions and joint ventures.

Prior to joining the firm, Ms. Stulberg clerked at the University of Michigan Health System Legal Office, the Office of Policy at the United States Food and Drug Administration, and the University of Michigan Law School's Pediatric Advocacy Clinic.

Education

J.D., University of Michigan Law School, 2012, *cum laude*

B.A., University of Michigan, 2009, Highest Honors

Admissions

State of California

Affiliations

Program Co-Chair, Women Health Care Executives

Coach, Bar Association of San Francisco High School Mock Trial

Member, American Health Lawyers Association



Member, American Bar Association

External Publications

Co-Author, Health Care Fraud and Abuse Update, *Health Law Handbook*, 2014 Ed., 2015 Ed., 2016 Ed. (forthcoming)

Co-Author, Ancillary Joint Ventures Involving Taxable and Tax-Exempt Health Care Entities: Addressing the Chilling Effect of IRS Inaction, November 2014

Co-Author, Omnibus Final Rule Issued on HIPAA/HITECH Act: Significant Changes for 'Business Associates,' February 7, 2013

External Publications

Managing the Preparation, Delivery and Review of the Disclosure Schedule in Section 363 Transaction Can Help Avoid a Shipwreck, *LinkedIn*, Author: Caitlin Bloom Stulberg, 01/05/2016

Health Care Fraud and Abuse Update, *Health Law Handbook*, 2014 Ed., 2015 Ed., 2016 Ed. (forthcoming), Co-Author: Caitlin Bloom Stulberg, 2016

Ancillary Joint Ventures Involving Taxable and Tax-Exempt Health Care Entities: Addressing the Chilling Effect of IRS Inaction, *AHLA Connections*, Authors: Gerry Hinkley, Allen Briskin, Caitlin Bloom Stulberg, November 2014

Firm Publications

A Lifelong Commitment: FDA Releases Postmarket Guidance on Cybersecurity Risk Management for Medical Device Manufacturers, Authors: Brian E. Finch, Gerry Hinkley, Kristi V. Kung, Caitlin Bloom Stulberg, 2/11/2016

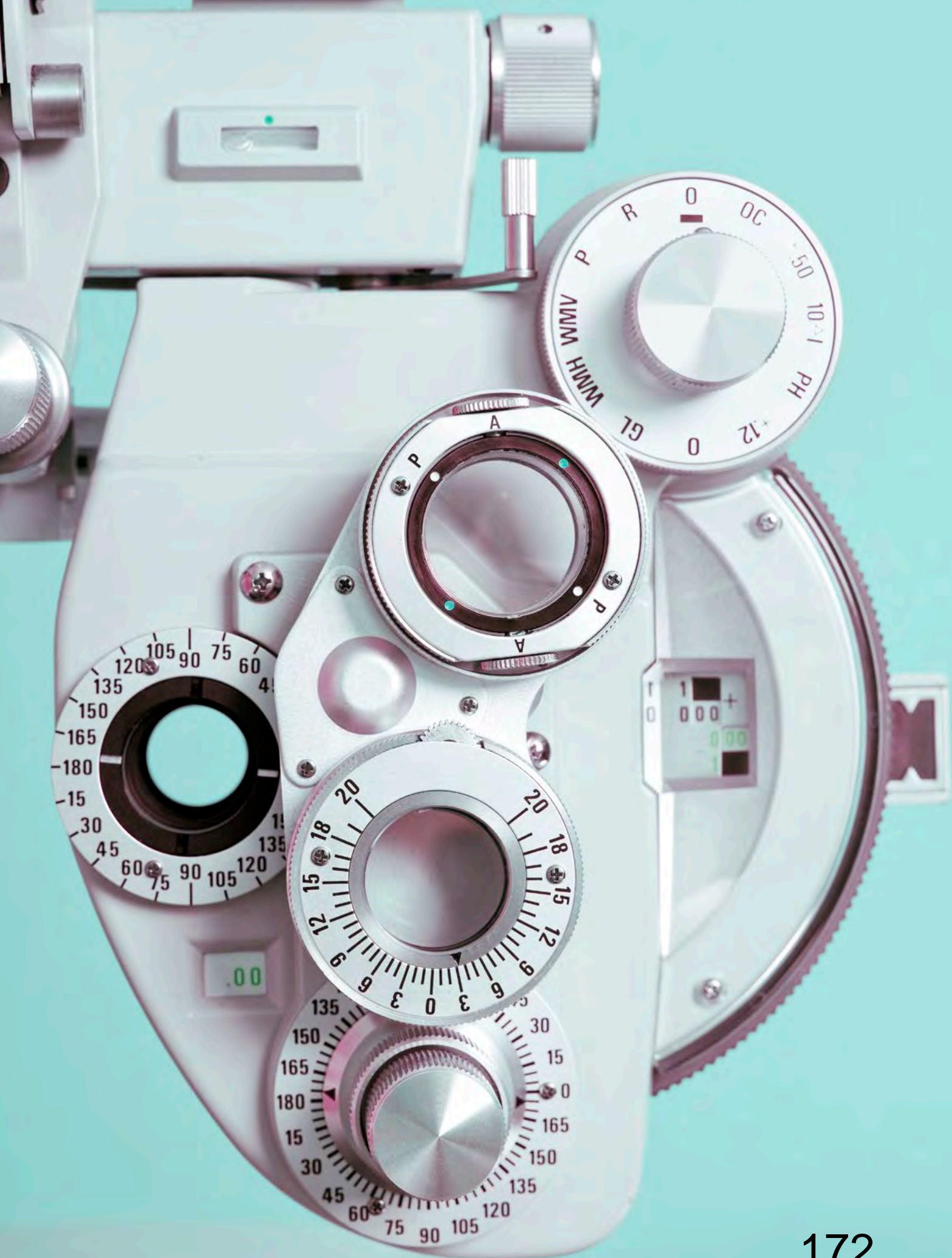
Keeping it Legal: Managing FDA Compliance for Consumer-Generated Content, Authors: Gerry Hinkley, Caitlin Bloom Stulberg, 11/24/2015

Omnibus Final Rule Issued on HIPAA/ HITECH Act: Significant Changes for 'Business Associates', Authors: Gerry Hinkley, Allen Briskin, Caitlin Bloom Stulberg, 2/7/2013



Health Law Practice





Transforming your vision into reality requires foresight that's 20/20.

Whether health care is a component of your overall business or its entire reason for existing, the complex, constantly evolving nature of the industry calls for legal insight that is both informed and innovative. At Pillsbury, we know that the difference between anticipating industry shifts and merely reacting to them comes down to just how well one understands all the forces in play. Our lawyers possess an unsurpassed understanding of the health care industry and health policy. We work collaboratively with our clients, taking the time to understand their challenges and their vision as we help them design the best approaches to reach their goals.

Pillsbury's Health Care Industry team advises health care providers of all types and sizes, as well as enterprises that serve and support health care providers, third-party payors, medical device and pharmaceutical manufacturers, mobile health and technology developers, and data analytics companies on a broad range of transactional, regulatory and litigation matters. Our work includes the following areas:

- Accountable care
- Advertising and consumer protection
- Fraud and abuse, and physician self-referral
- Antitrust
- Associations and trade groups
- Capital finance
- Cybersecurity, privacy, security and data breach
- Emerging growth
- Employment and benefits, including executive compensation
- Federal health care program reimbursement
- Food and Drug Administration processes
- Fund formation, investment and lending
- Government investigations and enforcement defense
- Government and legislative relations
- Health care regulation, licensing and credentialing
- Health system integration
- Information technology procurement and outsourcing
- Insolvency and restructuring
- Insurance coverage and risk management
- Intellectual property protection, defense and prosecution
- Internal investigations
- Joint ventures, mergers and acquisitions
- Managed care contracting
- Real estate and facility development
- Tax and tax exemption

Pillsbury's dedicated Health Law practice includes the support of a full-service, global law firm. Our clients know that while compliance with the regulated aspects of their health business is vitally important to the success and stability of their organizations, they are still operating businesses—which require a broad range of legal support. Our Health Care Industry team provides a one-stop shop where clients can obtain legal guidance as well as comprehensive, high-quality support in the other facets of their businesses. Whether our clients are looking for outsourcing support, employment, real estate, structured finance and lending, cybersecurity, tax guidance, intellectual property protection and public policy advocacy, or full-service merger and acquisition capabilities, Pillsbury has a world-class team of lawyers with particular experience in each of these practice areas located in offices throughout the United States and globally. Our lawyers work seamlessly together across offices and disciplines to achieve the best results for our clients.



OUR CLIENTS SAY IT BEST

*“... advice is direct, to the point and well balanced ...
judicious about bringing the right effort to each project.”*

Source: *U.S. News Best Law Firms*

*“They do an outstanding job in the health area, and have
a great deal of knowledge and experience in all the facets
of the health sector.”*

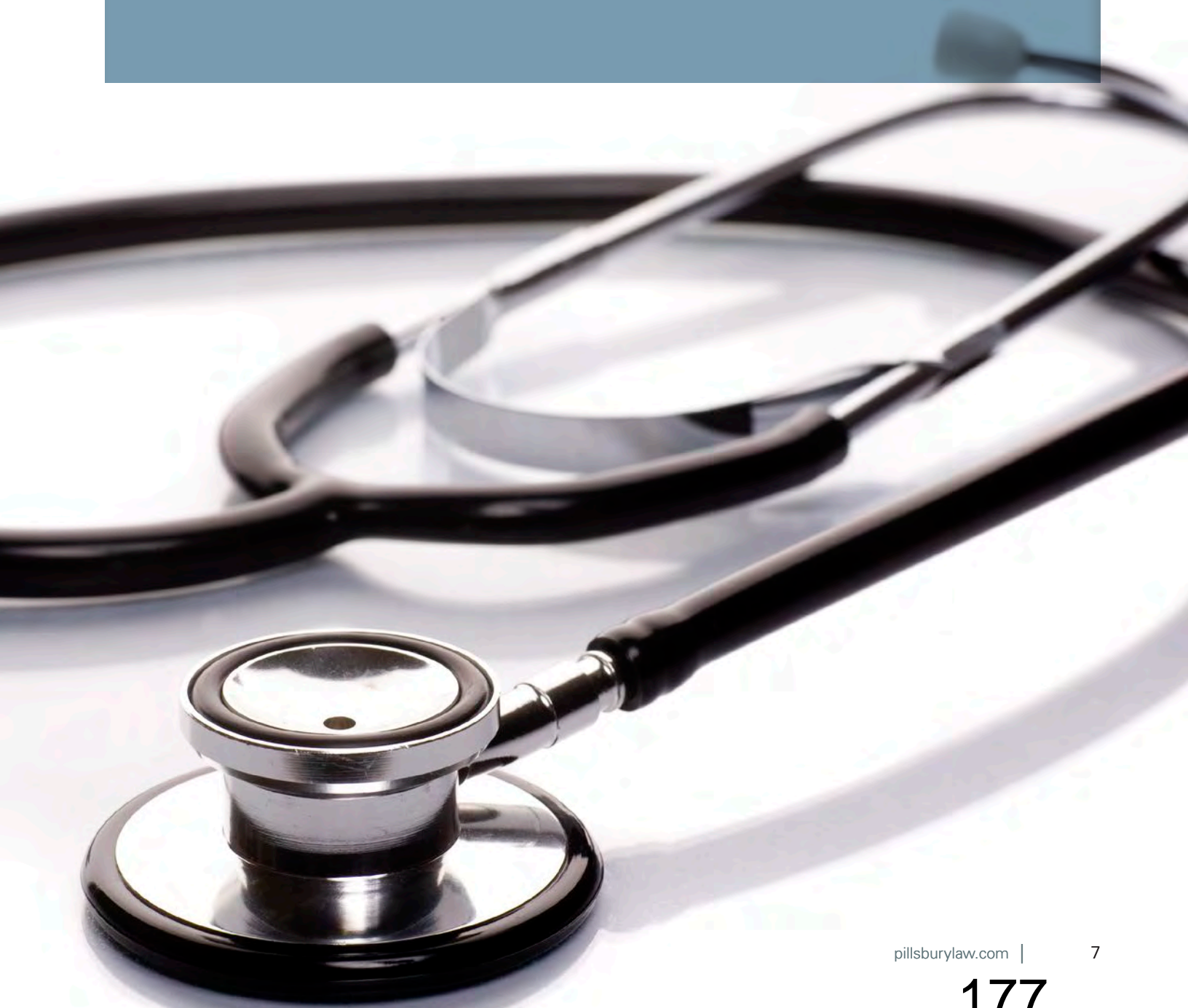
Source: *U.S. News Best Law Firms*

*“... involved in privacy and security work way
before it was in vogue ... very well known
and respected in the health
information world.”*

Source: *Law360*

“... longstanding experience in the health care area, handling a range of corporate and regulatory matters for clients such as hospitals and health information exchanges ... particular expertise in the health information technology space.”

Source: *Chambers USA*



Our Capabilities

Federal Health Care Program Fraud and Abuse Compliance

- Counsel numerous health systems, hospitals and health care providers with respect to their current and historical financial relationships with referring providers, as regards federal health care program fraud and abuse legal compliance
- Represent health care providers in self-disclosures and self-reporting of potential misconduct to DOJ, OIG and CMS
- Represent numerous providers with respect to overpayment considerations when confronted with regulatory noncompliance

False Claims Act Investigations and Defense

- Represent health systems, hospitals, hospices and other providers and suppliers in fraud and abuse investigations, including *qui tam* and federal and state government-initiated civil False Claims Act investigations and prosecutions
- Represent life sciences company and its founder/CEO in criminal and civil investigations into allegations of fraudulent lab testing results, and environmental and workplace safety issues
- Represent pharmaceutical manufacturer in off-label promotion investigation

Federal Health Care Program Regulatory Compliance

- Advise health care providers and suppliers regarding development and implementation of compliance programs and provide employee training regarding federal and state regulatory compliance
- Advise with respect to Medicare provider-based, under arrangements, and numerous other reimbursement implications
- Advise with respect to federal and state home health regulatory compliance
- Assist in licensing, certification and accreditation compliance for national behavioral health care provider
- Provide analyses of FDA, FTC, HHS and other implications for mHealth developers
- Advise health systems and hospitals on the development and implementation of telehealth and mobile health programs

- Represent health systems in HRSA 340B drug discount program compliance reviews, HRSA audits and developing plans of correction

Privacy and Security

- Represent hospitals, laboratories, physician practice groups and group health plans in data breach reporting and Office for Civil Rights investigations
- Advise covered entities and business associates on HIPAA privacy and security compliance, including development and implementation of policies, procedures and compliance programs

Mergers and Acquisitions, Including Clinical Integration

- Serve as lead counsel in RFP process resulting in successful divestiture of community hospital
- Represent children's hospital in joint venturing neonatal and pediatric services with community hospitals
- Provide counsel in formation of a major academic pediatric medical center's acquisition of 120 pediatric practices

Technology

- Represent health plan in sale and contract-back of claims administration and beneficiary management functions
- Assist in formation of California Joint Replacement Registry
- Represent association of Medicare providers in development of member-focused analytics
- Serve as lead counsel for Connecting For Health (a project of the Markle Foundation) in development of Model Contract Health Information Exchange and as lead counsel for development of California Office of Health Information Integrity's Model Modular Participants Agreement

Antitrust and Competition, Including Compliance

- Represent a university research center in an unfair competition and patent infringement case involving the use of canine DNA for certain genetic disorders
- Represent Virginia-based hospital in challenge by physician alleging antitrust and other violations related to termination and revocation of hospital privileges

- Serve as lead counsel defending a large specialty benefit management company against a challenge by a specialty radiology provider involving allegations of price fixing, boycott, tying and monopolization under the Sherman Act
- Defend a leading radiotherapy company that distributes medical equipment used for cancer treatment in claims brought by an aftermarket service rival (retained two years after the antitrust counterclaims were filed).
- Represent a leading health care services provider in a lawsuit alleging the defendants disseminated false and misleading advertising and related unlawful conduct in an effort to promote their competing services
- Represent pharmacy benefits manager in consolidated class action proceedings brought by putative class of pharmacies alleging violations of California state statutes and California's Unfair Competition Law

Insolvency and Restructuring

- Serve as debtors' counsel in bankruptcy of national acute care hospitals and nursing facilities company
- Serve as debtors' counsel in bankruptcy of owner/operator of clinical laboratories company
- Provide restructuring advice to state facilities finance and construction authority
- Advise nonprofit hospital system regarding restructuring options after failed sale to for-profit system

Payment and Managed Care Contracting

- Assist with managed care contracting for providers with Anthem, Aetna, UnitedHealth Group, Blue Shield of California, Kaiser Foundation Health Plan, Humana, Cigna and many others
- Represent a leading mental health provider in litigation regarding Medicare as secondary payor
- Represent major academic pediatric medical center in disproportionate share settlement with State of California
- Represent providers in Provider Reimbursement Review Board proceedings
- Advise health care providers and suppliers regarding federal, state and commercial payor billing, coding and coverage matters



The Pillsbury Difference

We Understand the Health Care Industry

You can't be innovative without insight. A thorough knowledge of our clients' businesses and the multifaceted health care industry is critical to our success. Team members have worked in hospitals, health care think tanks and government agencies. We have authored articles for legal journals, medical journals, industry publications and textbooks, and are frequently invited to speak on a broad range of legal topics impacting the health care industry. Pillsbury's Health Law practice includes leaders in the health law academic community, with several members teaching health law courses and one member currently serving in a leadership capacity in the prestigious position of Health Law and Policy Fellow in the Program on Law & Government at American University's Washington College of Law.

Our lawyers are deeply involved and have leadership roles in a broad cross-section of health law and industry organizations, including the American Health Lawyers Association, the Health Care Compliance Association, the Health Information Management Systems Society and the American Telemedicine Association. Team members have been recognized by their peers in *Best Lawyers in America*, *Chambers USA* and *Legal 500 US*. Our broad range of experience, perspectives and community involvement uniquely positions us to understand the obstacles faced by our clients and to provide the ingenuity and innovative leadership to structure business models in a manner that is both compliant and profitable.

A Fully Integrated Team

Just as the health care industry is inextricably intertwined with all manner of other industries, our Health Care Industry team is bolstered by the firm's other top-ranked practices. Our dedicated health law practitioners are supported by a broad array of talented attorneys focusing on areas such as corporate law, global sourcing, real estate, insolvency and restructuring, intellectual property, litigation, financing, government affairs, antitrust, communications, employment, cybersecurity, tax and insurance recovery.

Together, we help clients identify and navigate the competitive opportunities and obstacles on the path to achieving success. For example, our health care technology lawyers and Social Media & Games practice are market leaders in the development of telehealth programs, managing the complex and evolving regulation of mobile health platforms and applications, and advising on the privacy and security implications of big data and health care analytics. A global, full-service law firm, Pillsbury also boasts a strong health care industry regulatory practice—a combination rarely matched by our competitors. This integrated approach allows us to deliver comprehensive, structured and efficient legal services to our clients.

LEARN MORE

To learn more about our Health Law practice, please visit us at pillsburylaw.com/health or contact one of the leaders below:

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ABOUT PILLSBURY

Pillsbury Winthrop Shaw Pittman LLP is a leading international law firm with offices around the world and a particular focus on the energy & natural resources, financial services, real estate & construction, and technology sectors. Recognized by *Financial Times* as one of the most innovative law firms, Pillsbury and its lawyers are highly regarded for their forward-thinking approach, their enthusiasm for collaborating across disciplines and their unsurpassed commercial awareness.

ATTORNEY ADVERTISING. Results depend on a number of factors unique to each matter. Prior results do not guarantee a similar outcome.

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**CERTIFICATION OF
COUNTY CLERK/REGISTRAR OF VOTERS OF
THE RESULTS OF THE CANVASS
OF THE NOVEMBER 8, 2016, GENERAL ELECTION**

STATE OF CALIFORNIA
COUNTY OF CALAVERAS

} ss.

I, Rebecca Turner, County Clerk/Registrar of Voters of said county, do hereby certify that, in pursuance to the provisions of Elections Code Section 15300, et seq., I did canvass the results of the votes cast in the General Election held in said County on November 8, 2016, for measures and contests that were submitted to the vote of the voters, and that the Statement of Votes Cast to which this certificate is attached, is full, true and correct.

I hereby set my hand and official seal this 2nd day of December 2016 at
the County of Calaveras.





Registrar of Voters

County of Calaveras
State of California

Certification of Elections Official (11/2016)

	MARK TWAIN HEALTH CARE DISTRICT FOUR YEAR TERM 2 TO BE ELECTED			MARK TWAIN HEALTH CARE DISTRICT TWO YEAR TERM								
	R V E O G T I E S R T S E R E D	B C A A L S L T O T S	T P U E R R N C O E U N T T A G E	L F S E . T W E I E S L E (NON)	R S A M N A D R Y T (NON)	S A U T S K A I N N S O N (NON)	O V U V V O E T R E S	U V N O D T E E R S	D S E E B L B L I I E C K (NON)	D L A E N W I S (NON)	O V V O E T R E S	U V N O D T E E R S
29 PRECINCTS												
COUNTY TOTAL	29585	23975	81.04	5490	13167	9682	4	19512	11761	6153	82	5922
VOTING PRECINCTS	29585	23975	81.04	5490	13167	9682	4	19512	11761	6153	82	5922
CONGRESSIONAL 4	29585	23975	81.04	5490	13167	9682	4	19512	11761	6153	82	5922
STATE ASSEMBLY 5	29585	23975	81.04	5490	13167	9682	4	19512	11761	6153	82	5922
BOARD OF EQUALIZATION	29585	23975	81.04	5490	13167	9682	4	19512	11761	6153	82	5922
SUPERVISORIAL 1	5806	4624	79.64	1134	2436	1713	2	3946	2266	1164	17	1165
SUPERVISORIAL 2	5418	4317	79.68	815	2175	1578	0	4049	2061	1068	7	1168
SUPERVISORIAL 3	6218	5200	83.63	1081	3163	2378	2	3757	2716	1238	21	1220
SUPERVISORIAL 4	6468	5263	81.37	1398	3037	2303	0	3769	2597	1521	19	1111
SUPERVISORIAL 5	5675	4571	80.55	1062	2356	1710	0	3991	2121	1162	18	1258
SUPERVISORIAL TOTAL	29585	23975	81.04	5490	13167	9682	4	19512	11761	6153	82	5922
CITY OF ANGELS	2384	1929	80.91	478	1221	888	0	1264	1014	587	4	321
UNINCORPORATED AREA	27201	22046	81.05	5012	11946	8794	4	18248	10747	5566	78	5601

29 PRECINCTS	MARK TWAIN HEALTH CARE DISTRICT FOUR YEAR TERM 2 TO BE ELECTED			MARK TWAIN HEALTH CARE DISTRICT TWO YEAR TERM								
	R V E O G T I E S R T S E R E D	B C A A L S L T O T S E	T P U E R R N C O E U N T T A G E	L F S E T W E I S L E (NON)	R S A M N A D R Y T (NON)	S A U T S K A I N N S O N R E S (NON)	O V U V V O N O E T D T R E E S R S	D S E E B L D L O V U V I I N W V O N O E C I E T D T R E E S (NON)	S K A I N N S O N R E S (NON)	O V U V V O N O E T D T R E E S (NON)	O V U V V O N O E T D T R E E S (NON)	
0001 110 San Andreas Pro	981	739	75.33	176	406	242	2	652	426	173	0	138
0002 120 Rural San Andre	1169	946	80.92	194	559	366	0	764	503	223	3	211
0003 140 Valley Springs	1043	805	77.18	196	427	307	0	678	382	216	2	205
0004 150 Valley Springs	719	595	82.75	164	299	240	0	486	272	156	5	162
0005 160 Burson North	840	678	80.71	172	354	236	0	593	325	161	5	185
0006 170 Burson South	1054	861	81.69	232	391	322	0	773	358	235	2	264
0007 210 Mountain Ranch	628	505	80.41	94	278	168	0	465	265	106	1	129
0008 215 Mountain Ranch	932	770	82.62	132	433	295	0	679	385	195	3	186
0009 220 Rail Road Flat	948	731	77.11	130	324	248	0	759	347	160	0	223
0010 230 West Point West	576	424	73.61	83	207	154	0	401	200	114	0	107
0011 240 West Point East	922	727	78.85	132	361	275	0	681	308	202	0	214
0012 250 Mokelumne Hill	662	549	82.93	120	278	213	0	485	256	148	1	144
0013 260 Mokelumne Hill	750	611	81.47	124	294	225	0	579	300	143	2	165
0014 310 Arnold West	1127	927	82.25	191	527	410	0	719	493	213	6	214
0015 320 Central Arnold	817	681	83.35	147	398	325	0	490	314	199	3	162
0016 330 Arnold East	851	727	85.43	163	388	339	2	558	322	199	5	201
0017 350 Forest Meadows	1277	1103	86.37	245	659	497	0	800	596	237	4	266
0018 360 Murphys West	1143	932	81.54	165	623	413	0	663	498	216	3	214
0019 370 Murphys East	1003	830	82.75	170	568	394	0	527	493	174	0	163
0020 410 Rural Angels	1316	1071	81.38	262	648	442	0	787	599	241	2	225
0021 420 Angels City Nor	1055	802	76.02	189	498	357	0	557	472	177	2	149
0022 430 Angels City Sou	1329	1127	84.80	289	723	531	0	707	542	410	2	172
0023 440 Copperopolis Ea	1360	1085	79.78	287	554	453	0	872	488	300	7	289
0024 450 Copperopolis We	1408	1178	83.66	371	614	520	0	846	496	393	6	276
0025 530 Jenny Lind	1001	818	81.72	171	402	289	0	771	321	225	1	268
0026 540 Rancho-La Conte	1141	921	80.72	207	481	342	0	805	454	204	5	253
0027 550 Rancho-Berkesey	1401	1147	81.87	297	624	452	0	913	558	308	7	273
0028 560 Rancho-Garner	1090	852	78.17	196	449	321	0	736	406	200	3	241
0029 570 Rancho-Jenny Li	1042	833	79.94	191	400	306	0	766	382	225	2	223
GRAND TOTALS	29585	23975	81.04	5490	13167	9682	4	19512	11761	6153	82	5922