

Modoc Local Agency Formation Commission

REGULAR MEETING AGENDA

Website: www.modoclafco.org

Tuesday August 14, 2018 – 4:00 PM

City Council Chambers
Alturas City Hall
200 North Street, Alturas, CA 96101

1. Call to order / Pledge of Allegiance

Commissioners

Alternate Members

Geri Byrne, County Member
Jim Irvin, City Member, Vice Chair
T.J. Jerry Shea, Public Member
Mark Steffek, City Member
Kathie Rhoads, County Member, Chair

Richard Read, Public Member Alt.
David Allan, County Member Alt.
Cheryl Nelson, City Member Alt.

LAFCO Staff

John Benoit, Executive Officer
Scott Browne, LAFCO Counsel
Jackie Froeming, Clerk

2. **Adjourn for one minute in memory of Jerry Shea, LAFCo's Public Member who passed away on July 28th, 2018.**
3. **Election of Chair and Vice-Chair for Fiscal Year 2018-2019**
 - a. **Election of LAFCo Chair**
 - b. **Election of LAFCo Vice-Chair**
4. **Approval of the Agenda (Additions and Deletions)**
5. **Correspondence**
6. **Consider Minutes for the June 12th, 2018 LAFCo meeting**
 - a. *Approve minutes from the June 12th 2018 LAFCo Meeting*
7. **Public Comment**

This is the time set aside for citizens to address the Commission on any item of interest to the public that is within the subject matter jurisdiction of the Commission. For items that are on the agenda, public comment will be heard when the item is discussed. If your comments concern an item that is noted as a public hearing, please address the Commission after the public

hearing is opened for public testimony. The Chair reserves the right to limit each speaker to three (3) minutes. Please understand that by law, the Commission cannot make decisions on matters not on the agenda.

8. Authorize payment of Claims for June 2018 and July 2018

- a. *Authorize payment of claims for June 2018 and July 2018.*

Action Items:

9. Authorize recruitment of Public Member due to Jerry Shea passing away on July 28 2018.

- a. *Authorize recruitment for a Public Member*

10. Status of the Daphnedale CSD dissolution and consider the repeal of LAFCo Resolution 2018-0001.

- a. *Consider repeal of LAFCo initiated resolution 2018-0001 calling for LAFCo to initiate proceedings for the dissolution of the Daphnedale CSD as a quorum of the Board of Directors has been established.*

11. Continued discussion and update regarding the Surprise Valley Health Care District

- a. *This is discussion item only and no LAFCo action is being considered*

12. Biennial Conflict of Interest Review

- a) *Review memo and authorize the Chair to sign and transmit the 2018 Biennial Conflict of Interest form to the County Clerk.*

13. Designate John Benoit to represent Modoc LAFCo to vote matters at the CALAFCo annual conference on October 3-5, 2018

- a. *Authorize John Benoit to vote on matters at the CALAFCo Annual Conference October 3-5, 2018.*

14. Review Draft Lassen Modoc Flood Control and Water Conservation District (LMCFCWCD– Service Review (MSR) and Sphere of Influence (SOI)

- a. *Review Draft LMCFCWCD MSR and SOI and provide comments to Lassen LAFCo (Lassen County being the principal County) regarding the document.*

15. Executive Officer's Report:

a. **Schedule general discussion regarding LAFCo's at the next meeting**

16. Commissioner Reports - Discussion

This item is placed on the agenda for Commissioners to discuss items and issues of concern to their constituency, LAFCO, and legislative matters.

17. Adjourn to the next regular meeting 4:00 PM on October 9, 2018

Any member appointed on behalf of local government shall represent the interests of the public as a whole and not solely the interest of the appointing authority Government Code Section 56325.1

The Commission may take action upon any item listed on the agenda. Unless otherwise noted, items may be taken up at any time during the meeting.

Public Comment

Members of the public may address the Commission on items not appearing on the agenda, as well as any item that does appear on the agenda, subject to the following restrictions:

- Items not appearing on the agenda must be of interest to the public and within the Commission's subject matter jurisdiction.
- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).

Public Hearings

Members of the public may address the Commission on any item appearing on the agenda as a Public Hearing. The Commission may limit any person's input to a specified time. Written statements may be submitted in lieu of or to supplement oral statements made during a public hearing.

Agenda Materials

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda are available for review for public inspection in the Modoc County Planning Department office located at 203 W. 4th Street, Alturas CA. [such documents are also available on the Modoc LAFCO website (www.modoc.lafco.ca.gov) to the extent practicable and subject to staff's ability to post the documents prior to the meeting]

Accessibility

An interpreter for the hearing-impaired may be made available upon request to the Executive Officer 72 hours before a meeting.

The location of this meeting is wheelchair-accessible.

Disclosure & Disqualification Requirements

Any person or group of persons acting in concert who directly or indirectly contribute \$1,000 or more in support of or in opposition to a change of organization or reorganization that has been submitted to Modoc LAFCO must comply with the disclosure requirements of the Political Reform Act of 1974 applicable to local initiative measures to be submitted to the electorate. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals; they may be reviewed at Government Code §§56700.1 and 81000 *et seq.* Additional information about the requirements pertaining to local initiative measures to be presented to the electorate can be obtained by calling the Fair Political Practices Commission at (916) 322-5660. A LAFCO Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application, or an agency (such as an attorney, engineer, or planning consultant) representing the applicant or an interested party. The law (Government Code Section 84308) also requires any applicant or other participant in a LAFCO proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding. Contact LAFCO Staff LAFCO staff may be contacted at (530) 233-9625 or by email at lafco@modoc.lafco.ca.gov Copies of reports to the extent feasible are located on the LAFCO webpage at: www.modoclafco.org

GL1-3490	CO	CERTIFICATE OF COVERAGE	06/27/2018
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CSAC Excess Insurance Authority

**C/O ALLIANT INSURANCE SERVICES, INC.
PO BOX 6450
NEWPORT BEACH, CA 92658-6450**

PHONE (949) 756-0271 / FAX (619) 699-0901
LICENSE #0C36861

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BELOW. THIS CERTIFICATE OF COVERAGE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED and/or requesting a WAIVER OF SUBROGATION, the Memorandums of Coverage must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

COVERAGE AFFORDED **A - CSAC Excess Insurance Authority**

Member:
MODOC COUNTY
ATTN: PAM RANDALL
204 SOUTH COURT ST. ROOM 100
ALTURAS, CA 96101

COVERAGE AFFORDED **B**

COVERAGE AFFORDED **C**

COVERAGE AFFORDED **D**

Coverages

THIS IS TO CERTIFY THAT THE MEMORANDUMS OF COVERAGE LISTED BELOW HAVE BEEN ISSUED TO THE MEMBER NAMED ABOVE FOR THE PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE COVERAGE AFFORDED BY THE MEMORANDUMS DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH MEMORANDUMS. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF COVERAGE	MEMORANDUM NUMBER	COVERAGE EFFECTIVE DATE (MM/DD/YYYY)	COVERAGE EXPIRATION DATE (MM/DD/YYYY)	LIABILITY LIMITS
A	<input checked="" type="checkbox"/> Excess General Liability	EIA 18 EL-43	07/01/2018	07/01/2019	\$1,000,000 Limits inclusive of the Member's Self-Insured Retention of \$100,000

Description of Operations/Locations/Vehicles/Special Items:

AS RESPECTS EVIDENCE OF COVERAGE ONLY.

Certificate Holder

JOHN BENOIT
EXECUTIVE OFFICER
LOCAL AGENCY FORMATION COMMISSION (LAFCO)
P.O. BOX 2694
GRANITE BAY, CA 95746

Cancellation

SHOULD ANY OF THE ABOVE DESCRIBED MEMORANDUMS OF COVERAGES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE MEMORANDUMS OF COVERAGE PROVISIONS.

AUTHORIZED REPRESENTATIVE



**Local Agency Formation Commission of Modoc County
Meeting Minutes
June 12, 2018**

1. Call to Order/Pledge of Allegiance

Chair Rhoads called the meeting to order at 4:00 p.m., in the City Council Chambers, Alturas City Hall. Commissioner Rhoads, Commissioner Byrne, Commissioner Dederick, Commissioner Irvin, Commissioner Shea, and Public Alternate Member Richard Read were present.

Staff members present were John Benoit, Executive Officer (EO), and Jackie Froeming, Clerk.

Pledge of Allegiance

2. Approval of Agenda (Additions and Deletions)

Commissioner Irvin made the motion to approve the agenda; seconded by Commissioner Dederick. In favor were Commissioners Rhoads, Byrne, Irvin, Dederick, and Shea.
Motion passed Unanimous

3. Correspondence - None

4. Consider Minutes for April 10, 2018

Commissioner Rhoads requested that the minutes be corrected and add the word "is" to Section 7 paragraph 6 when Chester Robertson was reporting on the Daphnedale CSD. The correction should read; *"The County would have to move forward with a Prop 218 under a fee structure which is how the County would proceed to address the current debt and loan."*

Commissioner Irvin made the motion to approve the minutes as amended; seconded by Commissioner Dederick. In favor were Commissioners Rhoads, Byrne, Irvin, Dederick, and Shea.
Motion passed Unanimous

5. Public Comment - None

6. Authorize Payment of Claims for April 2018 and May 2018

Commissioner Dederick made the motion to approve authorization of the claims; seconded by Commissioner Shea. In favor, were Commissioners Rhoads, Byrne, Dederick, Irvin, and Shea.
Motion passed Unanimous.

Public Hearing

7. Public Hearing regarding the Final Modoc LAFCo 2018-2019 LAFCo Budget and consider LAFCo Resolution 2018-003 adopting the budget for FY 2018-2019.

The Public hearing was opened at 4:03 p.m. and closed at 4:07 p.m.

Executive Officer Benoit provided a staff report on the final budget for Fiscal Year 2018-2019 and presented LAFCo Resolution 2018-003 to the Commissioners.

Motion by Commissioner Irvin to adopt Resolution 2018-003 adopting the LAFCo final budget for FY 2018-2019. Seconded by Commissioner Shea. In favor were Commissioners Rhoads, Byrne, Dederick, Irvin, and Shea. Motion passed Unanimous.

Other Business:

8. Status of Daphnedale CSD reorganization

Executive Officer Benoit reported on the status. He discussed the dissolution with the LAFCo attorney and found out the County cannot be forced to take over this district. He is recommending that the district reorganize, get people to sit on the Board of Directors, and manage the district. In addition, he would like to talk with Chester Robertson and discuss any terms the County would like to see if they were to take over the district. For any entity that takes over the district, cost would increase, fees are going to have to increase and landowners would be responsible for any issues including spills, violation of rules, or fines.

The next step in this proceeding would be to hold a Public Hearing in August regarding this issue and if the homeowners object to the County taking over the dissolution cannot move forward. At that time a protest, proceeding would have to take place.

Commissioner Dederick reported that the City's attorney has a completely different opinion regarding the successor agency. He also expressed concerns regarding the lack of interest in the last 6 months from homeowners in regards to sitting on the Board of Directors.

Executive Officer Benoit clarified that although LAFCo cannot force the County to take over the district the State can and if this dissolution moves forward, the County would still be the best option as the successor agency.

Commissioner Dederick mentioned the City is willing to work out any details with the successor agency to continue the maintenance of the sewer system.

Commissioner Rhoads reported that two people from Daphnedale have come forward and are speaking with Stephanie and may be interested in sitting on the Board of Directors. At this time, Executive Officer Benoit feels that LAFCo should continue to move forward and hold a public hearing during the August meeting and make a decision to move forward with the dissolution. The other option being if the Daphnedale has put together a Board of Directors and can conduct business they become an active district.

9. Discussion and update regarding the Surprise Valley Health Care District

Executive Officer asked Chanda Pedotti, C.O.O. of Surprise Valley Health Care District. Once the hospital is sold, does the district have anything left or does it provide any other services?

Ms. Pedotti reported that the plan was if the measure passed to sale, the hospital the next step once the bankruptcy is completed and the final amounts of debt owed has reported. The district will be responsible for the non-secured debt. The plan is to pay that off and dissolve the district. The bankruptcy should be final as of June 30, 2018.

Executive Officer Benoit said once the bankruptcy has been finalized the district will need to submit the application of dissolution to LAFCo and there would be no need for a successor agency since it will operated by a private entity.

Frances Hanna, Accounting Supervisor reported that even though the bankruptcy will be final on June 30, 2018. There will still be monies owed and the district will be paying those bills. She wanted to clarify if they have to wait to dissolve the district until the final bill is paid.

Executive Officer Benoit answered that the district could be dissolved. At that time, the County would be responsible for closing up the affairs of the district and pay off the outstanding balances as long as they had a way to get the money to cover those bills.

Ms. Chanda Pedotti reported they have not started the dissolution because they were waiting on the bankruptcy to be finalized to get the final numbers of the unsecured debt. They are trying to maintain all their bills and have the assumed amount of 30% available. Therefore, they hope to have all the monies to pay off the unsecured debt to make a clean transition. The SVHCD is hoping there will be no further debt at the time of dissolution and measures can be taken to dissolve the assessment at the same time.

Commissioner Byrne has questions regarding if the dissolution of the district would need to be voted on by the owners. Executive Officer Benoit answered that would be a legal question and he can ask the LAFCo Attorney. The SVHCD and their attorney are under the impression they only needed a vote to sale the hospital not to dissolve the district.

Commissioner Dederick wanted some clarification on what would happen to the lab the hospital purchased after the bankruptcy finalizes. Ms. Pedotti explained the lab purchased by the district is considered an asset. After the bankruptcy is final, the company would be purchasing both the hospital and lab from the district and it would go back to Cadira Ownership.

Public Member, Jeannie Goldman wanted to clarify that June 30, 2018 is the expected closing date of the sale of the hospital if all goes smoothly. At that time, Cadira would have 100% ownership of the hospital. She asked LAFCo since there would be residual debt can the district get their resolution and move forward with the application for dissolution and submit to LAFCo.

Executive Officer Benoit responded saying yes a resolution can be passed and application completed and submitted to begin the dissolution. LAFCo can rule on it and add a series of terms and conditions. The district would need to complete all terms before the dissolution finalizes. LAFCo will need a good amount of information prior to the dissolution being set for a hearing.

Chanda Pedotti reported that the SVHCD lawyers want to get far enough into the bankruptcy in order to get the correct amounts owed. She reported that Cadira has agreed to pay the secured debt and the district will be responsible for the unsecured debt.

Executive Officer Benoit requested the contact information from Chanda Pedotti, C.O.O. and Frances Hannah, Accounting Supervisor of SVHCD. They provided the contact information to him.

10. Review Proposed Letters of Support for SB-929, AB 2238 and AB 2268 considering support for the following bills:

Executive Officer Benoit gave a background on the various legislations and provided the letters to the Commissioners for review and approval to send the support letters.

Motion by Commissioner Dederick to approve the proposed support letters as written; seconded by Commissioner Byrne. In favor were Commissioners Rhoads, Byrne, Dederick, Irvin, and Shea.

Motion passed Unanimous

11. Authorize Staff and Commissioners to attend the Calafco annual conference at the Tenaya Lodge near Yosemite October 3-5, 2018.

Motion by Commissioner Dederick to authorize EO Benoit to attend the Calafco annual conference; seconded by Commissioner Irvin. In favor, were Commissioners Rhoads, Byrne, Dederick, Irvin, and Shea. Motion passed Unanimous.

12. Consider a nomination for Calafco Achievement Awards 2018 (due August 1, 2018).

The Commissioners did not have any nominations for the Calafco Achievement Awards.

13. Consider nomination for the Calafco Board of Directors (due Sept 4, 2018): City Member or Public Member.

The Commissioners did not have any nominations for the Calafco Board of Directors.

14. Executive Officer's Report:

- a. EO Benoit gave an updated on the Lassen Modoc Flood Control and Water Conservation District. He reported that he has a copy of the MSR/SOI Review and will present this to the Lassen LAFCo in August. He feels that this district is not functioning as originally planned and it will need to be determined if this district needs to be continued or dissolved.

- b. Executive Officer Benoit reported that he had attended the Calafco Staff Workshop in Marin County and provided an overview of sections he had attended, which includes a section on City Annexations. A presentation on the Board of Equalization (BOE), which has been restructured. In this session, they reviewed the interface between LAFCo and the BOE and the requirements. He also attended a session on CEQA Exemptions, which discussed the misuse of various CEQA exemptions and looked at a Case regarding “unusual circumstances”.

15. Commissioner Reports – Discussion

Commissioner Shea asked about the Ethics Training. Executive Officer Benoit said the training is available online or he can look into sending someone to provide this training in the fall.

16. Adjourn to the next regular meeting 4:00 PM on August 14, 2018

There being no further business to come before this Commission; Commissioner Dederick made the motion to adjourn the meeting; seconded by Commissioner Shea. All present were in favor. The meeting adjourned at 4:58 PM.

Modoc Local Agency Formation Commission

#8

CLAIMS

for

June and July 2018

Ratify the following Claims for FY 2017-2018

July 1, 2018	Staff Services June 2018	\$ 3,828.81
June 12, 2018	Commission Stipend June 12, 2018	\$ 400.00
	TOTAL:	\$ 4,428.81

Authorize the following Claims for FY 2018-2019

Aug 1, 2018	Staff Svcs July 2018	\$ 2,411.10
Aug 1, 2018	Calafco Dues 2018-2019	\$ 925.00
	TOTAL:	\$ 3,336.10

DATED: August 14, 2018

APPROVED: August 14, 2018

**Kathie Rhoads, Chair or John Dederick, Vice-Chair
Modoc Local Agency Formation Commission**

Attest:

**John Benoit
Executive Officer**

Modoc LAFCO
Expenditures and Revenue
FY 2018-2019

Item	File Scanning	Memberships	copies	postage	Communications	Office Exp.	Counsel	staff Svcs	Clerk Costs	Noticias and
Account Number	4420	4420	4210	4211	4221	4210	4008	4004	4006	Public 4380
Total Budgeted 2018-2019	\$ 3,000.00	\$ 926.00	\$ 800.00	\$ 300.00	\$ 1,000.00	\$ 400.00	\$ 2,000.00	\$ 36,000.00	\$ 720.00	\$ 600.00
Calafco Dues 2018-2019		\$ (925.00)								
Staff Svcs July 2018										
			(10.00)	(0.50)	105.60			(2,295.00)		

Total Expenditures to date		\$ (925.00)	\$ (10.00)	\$ (0.50)	\$ (105.60)	\$ 400.00	\$ 2,000.00	\$ (2,295.00)	\$ 720.00	\$ 600.00
Total Budget Remaining		\$ 1.00	\$ 790.00	\$ 299.50	\$ 894.40	\$ 400.00	\$ 2,000.00	\$ 33,705.00	\$ 720.00	\$ 600.00

unaudited July 1, 2018 City Fund Carryover \$ 21,335.45

18-19 Actual City/Co. Contributions \$ 22,142.19
 FY 2018-2019 City Anticipated Funds Transf
 2018-2019 County-City Funds Anticipated \$ 44,750.60
 Funds received
 REVENUE FOR PROJECTS
 Interest
 Anticipated Funds received \$ (3,336.10)
 Less Expenditures \$ 17,999.35
Actual Cash Balance

Trans & Travel	MSR/SOI Updates	Commissioner	Stipends-4003	TOTAL	Contingency
4430	4454		4922		
\$ 500.00	\$ 10,500.00	\$ 4,800.00	\$ 61,546.00	\$ 6,154.60	
			(925.00)		
			(2,411.10)		
				\$ (4,822.20)	
				\$ (3,336.10)	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	

\$ 500.00	\$ 10,500.00	\$ 4,800.00	\$ (3,336.10)	\$ (3,336.10)
			\$ 58,209.90	\$ (3,336.10)

TO WHOM IT MAY CONCERN

Modoc County Council of Governments - LAFCO
Alturas, CA

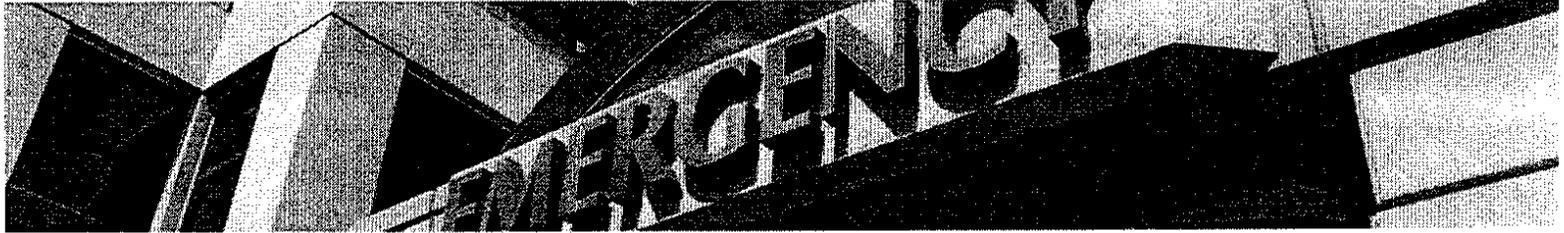
It is with great regret that due to recent health complications , I must submit my resignation from the organization. It has truly been a pleasure serving a considerable number of years with you fine people.

In the 1960's I was exposed to a considerable amount of asbestos, also again in the 1980's. This is a silent killer that appears at an unsuspected time. I received notification less than a month ago. I am currently settling all my affairs.

I am at peace with God and pray that His will be done in your lives as it has been done in mine. I have no regrets. May God bless each and everyone of you.....and please take heed to this Scripture.....Hebrews 13:5.

Thomas "Jerry" Shea
1644 Pintail Dr.
Alturas, CA 96101

July 6. 2018



HOME / RECENT NEWS / IN THE NEWS / COMMUNITY FRETS AS BUYER FOR CHERISHED RURAL HOSPITAL SLIPS FROM VIEW

IN THE NEWS

Community Frets As Buyer For Cherished Rural Hospital Slips From View

COMMUNITY FRETS AS BUYER FOR CHERISHED RURAL HOSPITAL SLIPS FROM VIEW - PUBLISHED BY CALIFORNIA HEALTHLINE

Confusion is growing in the remote Surprise Valley region of northeastern California as locals wonder whether a Denver entrepreneur will make good on his pledge to save their bankrupt rural hospital.

Surprise Valley Community Hospital, located in Cedarville, Calif., was featured in a June 6 California Healthline story illustrating the plight of strapped rural hospitals and controversial efforts by some to stay solvent through laboratory billing for patients never treated on-site.

Beau Gertz, who owns Denver-based Cadira Labs and other health-related businesses, proposed such a plan, saying faraway patients could be treated through telemedicine. Hospital district residents voted in June to approve his purchase of the 26-bed public hospital for \$4 million.

But Gertz hasn't been seen around town since late spring and websites for his Denver businesses have been shut down, including those for his labs that would presumably do the billing. Four ex-employees, who spoke on condition of anonymity for fear of retaliation, said they and the rest of his Colorado-based staff were laid off.

The entrepreneur's landlord, David North, said earlier this month that Gertz's Denver office building has been empty for weeks. Gertz did not respond to emails, texts or phone calls.

Gertz's low profile in recent weeks has perplexed residents, some of whom struggled over the decision to sell the hospital to an outsider. Some had been suspicious because plans by a previous "white knight" — and former business associate of Gertz's — to save the hospital through remote lab billing fell through last summer. Also, some were frustrated when Gertz said in a public meeting that he was under no obligation to provide the community with his "financials."

"I've never met a businessman who operated the way he would, investing in something that's losing money," said Sue Beller, 63, a retired graphic designer who lives in Cedarville and had talked with Gertz at a town hall meeting. "There was nothing there to make me think he was there to help Surprise Valley. I thought he was disingenuous."

Members of the hospital district board, which planned to meet Wednesday, have declined to comment on the status of the sale. Hospital administrator Bill Bostic said he had spoken to

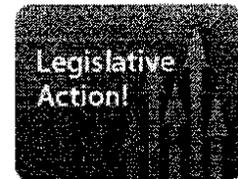
RECENT DHLF NEWS

PRIME/Waiver Update
November 11, 2017

Federal ACA Activities 9/20/17
September 9, 2017

Advocacy Alert: US Senate
Contacts
June 6, 2017

ACTION ITEMS



Gertz several times and that the sale is "on track," but would not elaborate on the timetable or Gertz's whereabouts.

"We're going through a process. It's complicated, it's legitimate," Bostic said. "We're just trying to keep open, we're not doing anything underhanded. All we're trying to do is save our hospital."

State officials said they have received no application from Surprise Valley to transfer ownership or management of the hospital. The state Department of Public Health must approve all such changes, a process that can take months.

Enticed by out-of-town investors, Surprise Valley and other struggling rural hospitals around the country have embraced lab billing for faraway patients as a rescue plan. That's because Medicare and commercial insurers tend to pay more for tests to sustain endangered rural hospitals, compared with how much they pay urban hospitals and especially outpatient labs.



Outsiders Swoop In Vowing To Rescue Rural Hospitals Short On Hope — And Money

[Read More](#)

in general, this kind of remote billing is controversial and legally murky, and it recently has resulted in allegations of fraud in several states, according to government documents and media reports.

In the run-up to the vote, Gertz described his plan as perfectly legal. He said the hospital, after taking over one of his Denver labs, could legitimately bill for patients treated remotely through video and other telemedicine technology. The idea appealed to many Surprise Valley residents, desperate to save a facility facing imminent closure. Without a buyer, experts said, property

owners in the district could have been responsible for repaying the hospital's mounting debts — estimated at up to \$4 million.

The hospital is considered crucial by many residents, largely because of its 24-hour emergency room. These days, all but two of its beds are dedicated to nursing home patients. The next nearest hospital with an ER is about 25 miles away over a mountain pass.

Janna Bennett, 61, a public health nurse who once worked for the hospital, said she still hopes Gertz will deliver on his ideas for a world-class "destination hospital" that he had promised in community meetings.

"If the deal falls through, I'll be disappointed. I'll be angry," she said.

It is not clear whether one of Gertz's investors, the Knights Genesis Group with offices in New York City, Shanghai and Beijing, continues to back him financially. Eric Cho, who answered the telephone at the firm's New York office in late June, confirmed that Knights Genesis was working with Gertz but declined to elaborate. No one else from the company since has responded to calls or emails.

If the deal collapses and the hospital cannot find another buyer, residents say it will be a sad end for a facility that opened in 1952 and once was the pride of the community, according to Jim Laacke, a retired forester from Cedarville who once served on the hospital's board.

"This hospital is an idea, generated by the people who were here and a doctor who was much-loved. It is a thing the community created," Laacke said. "It's hard to think about it just disappearing."

Barbara Feder Ostrov: barbarao@kff.org, [@barbfederostrov](https://twitter.com/barbfederostrov)

<http://californiahealthline.org>

Source: *californiahealthline*



CONTACT INFORMATION

District Hospital Leadership Forum
1215 K Street, Suite 1917
Sacramento, CA 95814

Tel: (916) 673-2020

Email: slane@sca.nc.net

Modoc Local Agency Formation Commission

Memorandum

August 14, 2018

TO: LAFCo Commissioners

FROM: John Benoit, Executive Officer

SUBJECT: Conflict of Interest Code.

Attachments: Modoc LAFCO's Conflict of Interest Code
2018 Local Agency Biennial Notice

Government code section 87300 et. seq. (the Political Reform Act) requires each local government agency to keep a conflict of interest code and update it to reflect changes that occur in the organization of an entity. The Local Agency Formation Commission (as well as other local agencies) is required to review and amend its Conflict of Interest code on even-numbered years. A biennial notice is normally sent out by the County Clerk or other official designated by the Board of Supervisors during the summer of even numbered years to each agency required to review its Conflict of Interest Code. After review or approval of the Conflict of Interest Code LAFCO is required to submit any proposed changes to the Board of Supervisors acting as the code reviewing body.

Government code section 87311 requires review of a conflict of interest code to be carried out under procedures which guarantee to officers, employees, members and consultants of the agency and to residents of the County adequate notice and a fair opportunity to present their views. A notice of Public Hearing was initially published prior to LAFCO adopting its conflict of interest code on December 12, 2006. Prior to 2006 LAFCO's last Conflict of Interest code was adopted in 1995. The Modoc Co. Board of Supervisor's, acting as the Code Reviewing Body, approved LAFCO's conflict of interest code on January 16, 2007 and adopted Resolution 2007-02.

Recommendation:

Authorize the Chair to sign and transmit the 2018 Local Agency Biennial Notice to the County Clerk (or person designated by the Board of Supervisors) declaring LAFCO has reviewed its Conflict of Interest code and no amendment is required at this time.

John Benoit, Executive Officer johnbenoit@surewest.net
P.O. Box 2694 Granite Bay, CA 95746
(530) 233-9625 ph. (916) 797-7631 fax.

RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF MODOC
RESOLUTION NUMBER 07-02

A RESOLUTION OF THE MODOC COUNTY BOARD OF SUPERVISORS TO ADOPT A LOCAL AGENCY FORMATION COMMISSION CONFLICT OF INTEREST CODE AND APPENDIX AS REQUIRED IN ACCORDANCE WITH GOVERNMENT CODE SECTION 81000.

WHEREAS, the Fair Political Practices Act, Government Code section 81000, *et seq.*, requires all local agencies to adopt a conflict of interest code and an appendix to the conflict of interest code;

WHEREAS, the Fair Political Practices Commission has promulgated a standard conflict of interest code at Title 2, California Administrative Code §18730 that may be adopted by reference as a local agency's conflict of interest code and is referred to as the "standard conflict of interest code"; and

WHEREAS, the Board of Supervisors serves as the conflict of interest code reviewing body for the County of MODOC; and

WHEREAS, Government Code §87303 requires the Board of Supervisors to approve, revise and approve, or return for revision and resubmission each conflict of interest code adopted by a local agency; and

WHEREAS, the Local Agency Formation Commission of Modoc County adopted a standard conflict of interest code and appendix designating Commission Members to disclose at Categories 1,2,3,4,5, and 6; the Executive Officer to disclose at Categories 1,2,3,4,5, and 6; and Consultants at Categories 1,2,3,4,5, and 6 thereto, a copy of which is attached as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors adopts the standard Conflict of Interest Code and Appendix thereto adopted by the Local Agency Formation Commission of Modoc County Resolution 2006-0004.

PASSED AND ADOPTED by the Board of Supervisors of the County of Modoc, State of California, on the sixteenth day of January, 2007, by the following vote:

AYES: Supervisors Macsay, Dunn, Cantrall, Bradshaw

NOES: None

ABSENT: None

ABSTAINED: None

BOARD OF SUPERVISORS OF THE COUNTY OF MODOC



Mike Dunn

By: _____
Mike Dunn, Chairman, Board of Supervisors

ATTEST:

Melissa Madison

County Clerk and Ex-Officio Clerk of the
Board of Supervisors

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LOCAL AGENCY FORMATION COMMISSION
COUNTY OF MODOC, STATE OF CALIFORNIA

December 12, 2006

RESOLUTION
NO.2006-0004

A RESOLUTION ADOPTING A CONFLICT OF INTEREST
CODE

WHEREAS, the Political Reform Act, Government Code section 81000, *et seq.* requires state and local government agencies to adopt conflict of interest codes; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, Title 2, California Administrative Code, Section 18730, which contains the terms of a standard conflict of interest code; and

WHEREAS, the LOCAL AGENCY FORMATION COMMISSION (LAFCO) can adopt the standard conflict of interest code as LAFCO's Conflict of Interest Code by reference, subject to approval by the Board of Supervisors of the County of Modoc;

NOW, THEREFORE, BE IT RESOLVED the COMMISSION of the LOCAL AGENCY FORMATION COMMISSION of Modoc County hereby adopts the Fair Political Practices Commission's standard Conflict of Interest Code as described in the attached regulations contained in Title 2, California Administrative Code, Section 18730, and the attached appendix in which employees are designated and disclosure categories are set forth, subject to approval by the Board of Supervisors of the County of Modoc.

BE IT FURTHER RESOLVED, that the Conflict of Interest Code and attached appendix shall be submitted to the Board of Supervisors of the County of Modoc for approval and that upon approval, the Conflict of Interest Code and attached appendix shall be deemed adopted and shall be promulgated by the LOCAL AGENCY FORMATION COMMISSION of Modoc County.

BE IT FURTHER RESOLVED that the standard code adopted hereby and subject to approval by the Board of Supervisors of the County of Modoc constitutes the Conflict of Interest Code of the LOCAL AGENCY FORMATION COMMISSION of Modoc County, and pursuant to Section 4(a) of the standard code, designated employees shall file original statements of economic interests with the Modoc County Clerk.

BE IT FURTHER RESOLVED that prior conflict of interest codes previously adopted by the LOCAL AGENCY FORMATION COMMISSION of Modoc County are hereby repealed and replaced by the standard code.

ON A MOTION by Commissioner DUNN, seconded by Commissioner MACSAY, the foregoing Resolution was duly passed and adopted by the Commissioners of the LOCAL AGENCY FORMATION COMMISSION of the County of Modoc, State of California, this 12th day of December, 2006, by the following vote:

AYES: 4 GATELY, DUNN, MACSAY and Neer

NOES: 0

ABSENT: 1 Andreassen

ABSTAINED: 0

Marie Neer
Marie Neer, Chair, LOCAL AGENCY FORMATION COMMISSION
of Modoc County

APPROVED AS TO FORM:

John Kenny, Counsel
LOCAL AGENCY FORMATION COMMISSION
Of Modoc County

**LAFCO of Modoc County
Conflict of Interest Code**

Designated Employees	Disclosure Categories
<u>Members of the LAFCO Commission</u>	1, 2, 3, 4, 5, 6
<u>Executive Officer</u>	1, 2, 3, 4, 5, 6
Consultants*	1, 2, 3, 4, 5, 6

*Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the Code subjected to the following limitation:

The Executive Officer may determine in writing that a particular consultant, although a "designated position", is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure requirements. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

Category 1

Persons in this category shall disclose all interests in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the local government agency.

Persons shall not be required to disclose property used primarily as their residence or for personal recreational purposes.

Category 2

Persons in this category shall disclose all investments.

"Investment" means any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest owned directly, indirectly or beneficially by the public official, or other filer, or his or her immediate family, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this title. No asset shall

be deemed an investment unless its fair market value equals or exceeds two thousand dollars (\$2,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any bond or other debt instrument issued by any government or government agency. Investments of an individual includes a pro rata share of investments of any business entity, mutual fund, or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10-percent interest or greater. The term "parent, subsidiary or otherwise related business entity" shall be specifically defined by regulations of the commission. (Government Code Section 82034).

Category 3

Persons in this category shall disclose all income received from any source located or doing business within the jurisdiction or expecting to do business within the jurisdiction. Income received from a public agency need not be disclosed.

Category 4

Persons in this category shall disclose all income from and investments in businesses that provide or sell services or supplies of the type associated with job assignment and utilized by the department.

Category 5

Persons in this category shall disclose all business positions held in business entities which are located or doing or expecting to do business within the jurisdiction and which business entities may foreseeably be affected materially by any decision made or participated in by the person by virtue of his or her position. "Business entity" as used herein includes both for-profit and non-profit entities.

Category 6

Persons in this category shall disclose all items (including real property) valued over \$360.00 received as a gift, purchased from, or sold to any person applying for or receiving any services from the Department;

The above Categories 1 through 6 shall comply with the Form 700 disclosure filing requirements.

2018 Local Agency Biennial Notice

Name of Agency: Modoc LAFCo
Mailing Address: P.O. Box 2694 Granite Bay, CA 96746
Contact Person: John Benoit Phone No. 530.233.9625
Email: johnbenoit@surewest.net Alternate Email: _____

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that *(check one BOX)*:

An amendment is required. The following amendments are necessary:

(Check all that apply.)

- Include new positions
- Revise disclosure categories
- Revise the titles of existing positions
- Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- Other *(describe)* _____

The code is currently under review by the code reviewing body.

No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

August 14, 2018

Signature of Chief Executive Officer

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2018**, or by the date specified by your agency, if earlier, to:

(PLACE RETURN ADDRESS OF CODE REVIEWING BODY HERE)

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.