



**DESERT HEALTHCARE DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Board of Directors
September 25, 2018
4:00 P.M.**

University of California Riverside
Building B – Room B114/117
75080 Frank Sinatra Drive, Palm Desert, California 92211

This meeting is handicapped-accessible

AGENDA

Item Type

Any item on the agenda may result in Board Action

- A. CALL TO ORDER – President Zendle, MD**
Roll Call
____Vice-President/Secretary Rogers, RN____Director/Treasurer Matthews
____Director Hazen____Director Wortham, DrPH
- B. APPROVAL OF AGENDA** **Action**
- C. PUBLIC COMMENT**
At this time, comments from the audience may be made on items not listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. **The Board has a policy of limiting speakers to no more than three minutes.** The Board cannot take action on items not listed on the agenda. Public input may be offered on agenda items when they come up for discussion and/or action.
- D. ADJOURNMENT TO CLOSED SESSION**
- E. CONVENE TO CLOSED SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS**
REPORT INVOLVING TRADE SECRETS pursuant to Health & Safety Code 32106 – concerning proposed new facilities, programs, and services. (Discussion only, no action will be taken) Estimated date of public disclosure: March 2019
- F. RECONVENE TO OPEN SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS**
- G. REPORT AFTER CLOSED SESSION**
- H. PUBLIC FORUM – 5 P.M.**
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| 1. Desert Healthcare District Educational Forum on Expansion in the Eastern Coachella Valley | Information & Discussion |
| 2. Appointment Process for the Potential of 2 New Directors | Information & Discussion |
| 3. Zone Mapping Process for the Potential New District Boundaries – 7 Zones | Information & Discussion |
- I. ADJOURNMENT**



Date: September 25, 2018

To: Board of Directors

Subject: Measure BB – Expanding access to health care providers and services to connect residents to programs through community-based organizations across all of the Coachella Valley.

Background

Authored by Assemblymember Garcia, AB 2414 will allow expansion of the existing Desert Healthcare District boundaries to include the Eastern Coachella Valley. Signed by Governor Brown in September 2016, the District filed an application with the Local Area Formation Commission (LAFCO) to expand its service area.

The LAFCO application was approved April 26, 2018. The Riverside County Board of Supervisors approved a resolution on July 17, 2018 to direct the Riverside County Registrar of Voters to add a measure to the November 6, 2018 ballot.

The current District’s boundaries include the cities of Desert Hot Springs, Palm Springs, Cathedral City, Rancho Mirage, a portion of Palm Desert and Indian Wells, and other unincorporated areas.

Measure BB –

“In order to expand access to health care providers and services and help connect residents to programs through community-based organizations across the Coachella Valley, shall there be an annexation to expand the Desert Healthcare District’s service area to include all of the cities of Palm Desert & Indian Wells; La Quinta, Indio, Coachella; and unincorporated areas of Riverside County, including Bermuda Dunes, Mecca, Thermal, Oasis, North Shore and Vista Santa Rosa?”

Ballot Measure BB:

- If ballot Measure BB passes, consistent with AB2414, the Board must adopt a resolution to increase the number of District board members from five to seven and appoint two members who are residents of the newly annexed territory to fill the two vacant seats.
- The Measure then requires the board of directors to adopt a resolution with intent to transition the District from five to seven zones. The length of the zoning process is at the discretion of the Board following the guidelines of the minimum

period process. One new member would be appointed to a term ending in 2020, and the other member would be appointed to a term ending in 2022.

Included in the Board Packet:

- Measure BB Fact Sheet
- Board Member Appointment Process – Health & Safety Code Section 32499.2
- Timeline and Process to Increase Zones from 5 to 7 – Health & Safety Code Section 32499.



**Connecting all residents to better health and wellness
Desert Healthcare District/Foundation**

Desert Healthcare District is a public agency that was created by the people in 1948 to provide hospital services to the residents of the growing region. Our team, led by a five-member elected Board of Directors and their vision, connects Coachella Valley residents to health and wellness services and programs. Our Foundation, a non-profit organization, amplifies the vision of the District through additional funding to community-based organizations serving the District.

Building off the successes realized over many years, the District has embarked on a transformation, building a roadmap to potential expansion to help to meet the needs of ALL residents, west to east. The District/Foundation not only invests funds toward helping residents and the underserved populations in the region, the District/Foundation collaborates with other entities to connect residents to vitally needed resources, such as primary and behavioral healthcare, housing, food, and transportation resources.

Q: Why expand versus having a new healthcare district in the east?

The District/Foundation has the ability and wherewithal to build upon seven decades of healthcare experience and transform into a District that can help address the needs for the entire Coachella Valley. Our organization has proven experience in meeting the needs by way of support of community-based and provider organizations with culturally acceptable and community appropriate programs through \$70 million in philanthropic funding. Through the creation of a new, multi-year comprehensive Strategic Plan, the District/Foundation is advancing a One Coachella Valley approach to community health by transforming our role, reach and impact. In the event of expansion, the focus of a One Coachella Valley approach will be built upon addressing the social determinants of health (e.g., housing, transportation, food insecurity), not just healthcare.

Q: What are the geographic boundaries currently and with expansion?

An annexation would expand the District's territory, which now encompasses the cities of Palm Springs, Desert Hot Springs, Cathedral City, Rancho Mirage, part of Palm Desert, and unincorporated areas within the District boundaries. The expansion would cover the cities of Indian Wells, La Quinta, Indio, Coachella, and the remainder of Palm Desert, and unincorporated areas of Bermuda Dunes, Mecca, Thermal, Oasis, North Shore and Vista Santa Rosa, as well as unincorporated rural areas of Riverside County.

Q: When would redistricting happen?

If the expansion ballot measure is placed on the ballot and approved by the voters in the Eastern Coachella Valley on Nov. 6, 2018, the District would immediately embark upon implementing the process to expand the District with two new Board members (appointed by the District Board) from the East. This voter-approval of the expansion would increase the Board of Directors from the current five to a total of seven. In 2019, the District would start the preparation for the 2020 ballot that would divide the District into seven voting districts with representation in accordance with demographics of the entire area, including population and geographic factors.

Q: What are the long-term funding strategies for the expansion to the East?

The District's Board of Directors went through a comprehensive and transparent process to determine the amount that could be committed for self-funding in the event of the District expansion; the Board approved a resolution Feb. 27, 2018 for \$6 million in expansion funding, which is \$300,000 annually for 20 years of unrestricted funds, as part of the Riverside County Local Formation Commission (LAFCO) expansion application. This represents a self-funded revenue source that would support programs and services to the residents of Eastern Coachella Valley upon successful voter approval of the expansion initiative in November of this year. Community input provided support for the Board of Directors' direction to move the expansion process forward while continuing to secure long-term funding to match the roughly \$4 million invested annually in the current District territory.

Various long-term public and private funding options are being reviewed, including: Future Hospital/Desert Regional Medical Center Lease Revenue (post-2027); Property Tax Increment Revenue; Special Tax Revenue (Ad Valorem Property, Sales, Parcel); State and Federal Grants; and Private Grants and Donations, among others.

Q: Will District financial reserves be available to the East after expansion?

Multiple demands currently exist on the District’s Reserve Fund (also referred to as the Facilities Replacement Fund), including seismic requirements and ownership and lease obligations at Desert Regional Medical Center (DRMC). The Facilities Replacement Fund, which was established shortly after the lease agreement with Tenet for DRMC in the late ‘90s, has a current net value of \$54 million. Recognizing the need to ensure the state mandated seismic upgrades are complete by 2030 (DRMC is fully compliant until that date), the District engaged the services of CBRE, Inc. for an initial high-level assessment of the seismic retrofit needs; the initial assessment was approximately \$60 million and a second, more robust study is being undertaken at the Board’s request by another contractor to determine the upper limit of potential seismic construction costs. Moreover, approximately \$22 million of the \$54 are on hold to meet current grant obligations, meaning that approximately \$33 million is in the reserves for seismic compliance.

Q: How will the District/Foundation ensure funding goes to programs and services that are appropriate for Eastern Coachella Valley communities?

Determining the best-suited programs and services in the event of the expansion will be done following the model that the District/Foundation has built upon from its grant-funding history – listening to the people in the community. Gaining knowledge from Eastern Coachella Valley communities on their priority of needs is in part how the District/Foundation is creating a roadmap to meet the recognized health gaps and needs in the East. Funding for new providers, facilities, programs, and services is much better defined if built upon research and guided by community input. An example of responsiveness to a community need is the District/Foundation’s Homelessness Initiative Collective Fund, a comprehensive long-term plan to help those experiencing homelessness. The Collective Fund, which was seeded by the District/Foundation with an initial \$2 million investment, is a collaborative effort with cities and organizations throughout the Coachella Valley to align interests and leverage resources toward this common mission of reducing homelessness. The District/Foundation has initially used funding from this Collective Fund to match \$103,000 from any Coachella Valley city that contributes to the CVAG CV Housing First program. To date, six out of nine cities have chosen to participate and leveraged the matching funding.

Q: Are you going to build a clinic in the East?

Driven in large part by community input, the District/Foundation would work to address significant barriers preventing access to healthcare providers and services for the roughly 240,000 residents in the expansion area of the Eastern Coachella Valley. Board and Staff will review the research undertaken to date in preparation for expansion and will conduct additional research going forward to assess the providers, facilities, programs and services needed for a One Coachella Valley healthcare district. These efforts will be guided by not only the Board of Directors, but also by members of each of the East Valley communities.

Q: What is the relationship with the District, DRMC and Tenet?

The hospital facility, Desert Regional Medical Center (DRMC), is owned by the District on behalf of current District residents -- from Palm Springs to Cook Street in Palm Desert. In 1997, the Board of Directors voted to lease DRMC to Tenet Healthcare Corporation for 30 years. The prepaid lease positioned the District to meet outstanding debt obligations. Today, the District continues to provide key oversight of this community-owned, thriving hospital campus. Tenet operates the hospital while the District retains ownership of the buildings and lease for the benefit of the residents of the District. The robust lease compliance process that the District has put in place with Tenet assures transparency on all issues -- particularly major areas of responsibility such as quality, safety and satisfaction.

For more information, please contact the District/Foundation.

Chris Christensen, Interim CEO: christensen@dhcd.org, 760-323-6365; or Lisa Houston, COO: lhouston@dhcd.org, 760-323-6645.

**DESERT HEALTHCARE DISTRICT
BOARD MEMBER APPOINTMENT PROCESS
(Health & Safety Code Section 32499.2)**

The following is a calendar which describes the process for increasing the number of District Board members from 5 to 7 in the event **Measure BB** passes in the November 2018 election.

November 6, 2018 ELECTION DAY

November 8, 2018 CANVASS OF ELECTION

The county elections officer commences the canvass of the returns not later than the first Thursday after each general district election. (Elections Code, § 10547)

December 3, 2018 ELECTION RESULTS

Not later than the Monday before the first Friday in December, the county elections officer declares the election results, which includes the certification of whether Measure BB has passed. (Elections Code, § 10551)

December 7, 2018 ELECTED DIRECTORS TAKE OFFICE

The 2 directors from Desert Healthcare District Zones 2 and 4 who are the successful candidates at the November 6, 2018, election take office at noon on the first Friday in December. (Elections Code, § 10554)

**Between
December 3, 2018,
and January 2, 2019 ADOPTION OF RESOLUTION BY BOARD**

If **Measure BB** passes, within 30 days after the election has been certified - and not later than **January 2, 2019** - the Board **must** adopt a resolution to increase the number of District Board members from 5 to 7. (Health & Safety Code, § 32499.2(a))

December 25, 2018 SPECIAL BOARD MEETING

December 18 2018, a special meeting Board of Directors to consider the resolution to increase the number of Board members.

Before January 2,
2019

TERMS OF THE RESOLUTION

The resolution to increase the number of Board members becomes effective on the date of, and subject to **any conditions specified in, the resolution**. This provides the Board with flexibility relating to the appointment process. (Health & Safety Code, § 32499.2(a))

During January
2019

PROCESS OF APPOINTMENT

The resolution passed at the December special meeting would follow Government Code §1780 and would describe the appointment process of the 2 new directors and include the following:

- Publication of a notice, for a minimum of 15 days, indicating that the Board of Directors would be holding a special meeting in January 2019 to consider applications to fill the 2 new seats on the District Board. **(The third Tuesday, January 15th is a suggested date).**
- The notice would be posted in a minimum of three conspicuous places in the District (Post Offices, City Halls, and at the District, etc.). The notice would also be posted on the District website, sent via email blasts, and published at least once a week over a 3-week period in a local newspaper.
- The notice would provide that applicants must reside in the newly annexed area and would have until Tuesday, January 8, 2019 (one week before the special meeting) to submit an application stating the applicant's qualifications and reasons for wanting to serve on the District Board.
- The notice would also state that the Board would consider the written applications and interview of the applicants at a public meeting to be held on January 15, 2018. Applicants would also have to comply with the filing of FPPC Disclosure Statements.

January 15, 2019
(suggested date)

BOARD MEETING TO APPOINT 2 NEW DIRECTORS

The Board would interview each of the applicants at the public meeting in an open and transparent process. At the conclusion of the interviews, Board members would have the opportunity to nominate candidates and the Board would ultimately appoint the 2 new Board members. In accordance with Health & Safety Code Section 32499.2(c), lots would be drawn, and one new member would be appointed to a **term ending in December 2020** and the other member would be appointed to a **term ending December 2022**.

**DESERT HEALTHCARE DISTRICT
TIMELINE AND PROCESS TO INCREASE ZONES FROM 5 TO 7
(Health & Safety Code Section 32499.3)**

The following is a calendar that describes the process for transitioning the Desert Healthcare District (“District”) into 7 voting districts (“Zones”) in the event **Measure BB** passes in the November 6, 2018, election:

December 3, 2018

ELECTION RESULTS

Not later than the Monday before the first Friday in December, the county elections officer declares the election results, which includes the certification of whether Measure BB has passed. (Elections Code, § 10551)

January 2019

2 NEW DIRECTORS WILL BE ADDED FROM THE NEWLY ANNEXED AREA

If Measure BB passes, in accordance with AB 2414, during the second half of the month of January 2019, 2 new Directors will be added to serve on the Board from the newly annexed area. The District will then have 7 Directors. (Health & Safety Code, § 32499.2(c))

February 2019

PASSAGE OF RESOLUTION OF INTENTION TO TRANSITION THE DISTRICT INTO 7 VOTING ZONES

In order to comply with AB 2414 and the California Voting Rights Act (“CVRA”), during the month of February 2019, the Board should hold a public hearing to pass a resolution of intention to transition the District into 7 voting zones beginning with the first district election held after January 1, 2020. (Health & Safety Code 32499.3(a)). The District will have the flexibility to stretch the process out over a longer period compared to 2018 when the District transitioned from At-Large to Zone-based voting districts. The length of time for the transition process will be in the discretion of the Board, provided the minimum periods and conditions are followed.

February 2019

TERMS OF THE TRANSITION RESOLUTION

The transition resolution will describe the calendar schedule and process of transitioning to 7 voting zones and will contain the following:

- The zones shall be divided in accordance with demographics, including population, and geographic factors of the District and will be intended to address the legal requirements of the CVRA

(Elections Code, § 10010(e)(3)(A)). This includes ensuring that District zones do not impair the ability of any protected class of individuals or the ability to influence the outcome of an election.

- The resolution will also outline the process for public outreach, including to non-English speaking communities, and will explain the District zone process and encourage public participation over an eight (8) month period.
- The resolution will also outline the schedule of public hearings prior to drawing proposed boundary maps and also the schedule of public hearings after the maps are drawn.

**Between March
2019 and June 2019**

**PUBLIC OUTREACH AND PUBLIC HEARINGS PRIOR TO
DRAWING PROPOSED BOUNDARY MAPS**

From March 2019 through the end of the month of May 2019 (pre-map period), the staff would conduct public outreach to the public, including to non-English-speaking communities, to explain the transition to zones process and to encourage public participation. The Board would also schedule 3 public hearings, 2 of which would be over a period of not more than 30 days, at which the public would be invited to provide input regarding the composition of the new zones.

**Between September
2019 and October
2019**

PUBLIC HEARINGS POST PREPARATION OF BOUNDARY MAPS

From September 2019 through the end of October 2019 (post-map period), after all draft maps are drawn, the drafts will be published and made available for release to the public. The Board would schedule at least 3 public hearings during the post-map period, 2 of which would be no more than 45 days apart at which the public would be invited to provide input regarding the content of the draft maps and the proposed sequence of future elections.

October 2019

**CONSIDERATION OF FINAL RESOLUTION TRANSITIONING TO 7
ZONES**

At the October Regular Board meeting, the Board would hold the final of 3 public hearings and would vote to adopt the final map of the new 7 zones.