

# Fallbrook Regional HEALTH DISTRICT

138 S. Brandon St. • Fallbrook CA 92028 • 760-731-9187

## BOARD OF DIRECTORS REGULAR BOARD MEETING

WEDNESDAY  
AUGUST 9, 2017

6:00 PM

AT

**FPUD  
FALLBROOK PUBLIC UTILITY DISTRICT  
990 EAST MISSION ROAD  
FALLBROOK, CA 92028**

**Fallbrook Regional**  
HEALTH  DISTRICT

**REGULAR BOARD MEETING**  
**AGENDA**

**Wednesday, August 9, 2017, 6:00 p.m.**

**Fallbrook Public Utilities District, 990 E. Mission Rd., Fallbrook**

**A. CALL MEETING TO ORDER – PLEDGE OF ALLEGIANCE**

**B. ADDITIONS TO AGENDA**

Pursuant to the Brown Act, additions to the Agenda as posted are exceptional, and expressly limited to three specific situations, as set forth in Government Code 54954.2(b): (1) an “emergency” as determined by majority vote of the board; (2) a 2/3 vote of the board finding that an item requires immediate action – and the need for this action arose in time after the agenda was posted or (3) the item was continued from an earlier meeting (no more than 5 days earlier), at which time the item was validly posted on the agenda of the earlier meeting.

**C. BOARD MEMBER AND PUBLIC COMMENTS**

This is an opportunity for board members and citizens to speak on items of interest within subject matter jurisdiction of the District. For the record, please state your name. “Request to speak” cards should be filled out in advance and presented to the Board President or the recording secretary. The Board has a policy limiting any speaker to not more than five minutes

**D. CONSENT ITEMS**

- D1. Approval of June 2017 Financial Statements
- D2. Minutes of July 7, 2017 Finance Committee Meeting
- D3. Minutes of July 12, 2017 Regular Board Meeting
- D4. Minutes of July 28, 2017 Special Board Meeting

**E. REPORTS**

- E1. Finance Committee – Committee of the Whole, Chair: Director Mroz
- E2. Gov’t/Public Relation/Community Relations Committee – Directors Salmon and Tinker
- E3. Facilities/Strategic Planning Committee – Directors Abbott and Salmon
- E4. Executive Director – Bobbi Palmer
- E5. General Counsel – Blaise Jackson

**F. DISCUSSION/ACTION ITEMS**

- F1. County Requirement for Street Improvements
- F2. Second Amendment to Purchase & Sale Agreement
- F3. Consideration of Approval of 2017-2018 Budget

**G. ITEMS FOR SUBSEQUENT MEETINGS**

- G1. Other Director/Staff discussion items
  - G1a. Item(s) for future board agendas
  - G1b. Announcements of upcoming events:
    - Community Collaborative for Health & Wellness Committee (CCH&W) meeting – Monday, August 21, 2017, 9:00-10:30am, Fallbrook Public Utility District Board Room
    - NCCCHI meeting – 1<sup>st</sup> Wednesday, September 6, 2:00-3:00pm
    - Woman of Wellness – Thursday, September 7, 2017, 6pm – Fallbrook Library
    - ACHD 65th Annual Meeting – September 12-14, 2017, San Diego
    - CSDA Annual Conference, September 25-28, Monterey, CA

G2. Next Regular Board meeting – Wednesday, September 13, 2017, Fallbrook Public Utility District Board Room

**H. ADJOURNMENT**

**NOTE:** This agenda posted at the Fallbrook Regional Health District Administration Office on Friday, August 4, 2017. The American with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of District business. If you need assistance to participate in this meeting, please contact the District office 24 hours prior to the meeting at 760-731-9187.

A handwritten signature in blue ink that reads "Pamela Knox". The signature is written in a cursive style and is positioned above a horizontal line.

Board Secretary/Clerk

## **CONSENT ITEMS**

# Fallbrook Regional HEALTH DISTRICT

## AGENDA FALLBROOK REGIONAL HEALTH DISTRICT FINANCE COMMITTEE

Wednesday, August 2, 2017 at 5:00 P.M.  
Board Conference Room, 138 S. Brandon Rd., Fallbrook CA 92028

Committee Members: Finance Committee of the Whole, Barbara Mroz, Chair and Bill Leach, Co-chair

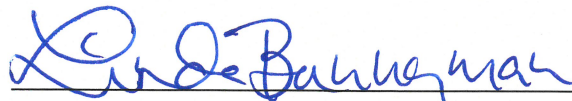
Staff Members: Bobbi Palmer

Accountant: Kathy Bogle

Bookkeeper: Wendy Lyon

1. Call to Order/Roll Call
2. Public Comments
3. Review of Financial Statements for June 2017
  - 1) Balance Sheet Comparison of June – May
  - 2) Income Statement for June 2017 and fiscal year to date
  - 3) Profit & Loss Actual vs Budget – June 2017
  - 4) Profit & Loss Budget Overview July 2016 – June 2017
  - 5) LAIF Report
  - 6) CalTrust
  - 7) Property Tax Revenue – fiscal year to date
  - 8) Check Detail as of June
  - 9) Review of Draft Budget for Fiscal Year 2017-2018
4. Adjournment

I certify that on July 28, 2017, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Fallbrook Regional Health District, said time being at least 72 hours in advance of the meeting of the Finance Committee.



Board Secretary/Clerk

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**BALANCE SHEET COMPARISON**  
Comparison of June 2017 to May 2017

	Jun 30, 17	May 31, 17	\$ Change
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
102.9 · Cal Trust Investment Account	4,247,244.58	4,246,902.70	341.88
102.2 · Cash in Bank - New Operating	1,094,154.99	1,160,174.32	(66,019.33)
102.6 · Cash in Bank -LAIF	1,448,487.47	1,448,487.47	0.00
<b>Total Checking/Savings</b>	<b>6,789,887.04</b>	<b>6,855,564.49</b>	<b>(65,677.45)</b>
<b>Other Current Assets</b>			
104 · Prepaid Insurance	46,775.72	50,467.86	(3,692.14)
107 · Tax apportion receivable	14,050.02	0.00	14,050.02
114 · Interest Receivable	7,817.28	4,572.21	3,245.07
<b>Total Other Current Assets</b>	<b>68,643.02</b>	<b>55,040.07</b>	<b>13,602.95</b>
<b>Total Current Assets</b>	<b>6,858,530.06</b>	<b>6,910,604.56</b>	<b>(52,074.50)</b>
<b>Fixed Assets</b>			
120.01 · ALVARADO BLDG	291,240.00	291,240.00	0.00
121 · Equipment	21,394.96	21,394.96	0.00
121.2 · Equipment Depreciation	(19,725.29)	(19,653.45)	(71.84)
122.0 · ASSETS HELD FOR RESALE			
122.01 · FALLBROOK HOSPITAL	4,420,120.00	4,417,521.00	2,599.00
122.02 · WELLNESS CENTER	291,240.00	291,240.00	0.00
<b>Total 122.0 · ASSETS HELD FOR RESALE</b>	<b>4,711,360.00</b>	<b>4,708,761.00</b>	<b>2,599.00</b>
<b>Total Fixed Assets</b>	<b>5,004,269.67</b>	<b>5,001,742.51</b>	<b>2,527.16</b>
<b>TOTAL ASSETS</b>	<b>11,862,799.73</b>	<b>11,912,347.07</b>	<b>(49,547.34)</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
140 · Accounts Payable	67,809.60	80,198.83	(12,389.23)
<b>Total Accounts Payable</b>	<b>67,809.60</b>	<b>80,198.83</b>	<b>(12,389.23)</b>
<b>Credit Cards</b>			
150.1 · American Express 41007	601.28	(1,444.97)	2,046.25
<b>Total Credit Cards</b>	<b>601.28</b>	<b>(1,444.97)</b>	<b>2,046.25</b>
<b>Other Current Liabilities</b>			
204 · Accrued Vacation & Sick Leave	22,326.53	5,608.24	16,718.29
215 · Comm Healthcare Programs Pybl			
215.24 · District Sponsored Programs	25,765.89	25,829.54	(63.65)
<b>Total 215 · Comm Healthcare Programs ...</b>	<b>25,765.89</b>	<b>25,829.54</b>	<b>(63.65)</b>
<b>Total Other Current Liabilities</b>	<b>48,092.42</b>	<b>31,437.78</b>	<b>16,654.64</b>
<b>Total Current Liabilities</b>	<b>116,503.30</b>	<b>110,191.64</b>	<b>6,311.66</b>
<b>Total Liabilities</b>	<b>116,503.30</b>	<b>110,191.64</b>	<b>6,311.66</b>

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**BALANCE SHEET COMPARISON**  
Comparison of June 2017 to May 2017

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	Jun 30, 17	May 31, 17	\$ Change
<b>Equity</b>			
300 · Unrestricted Fund Balance	11,464,702.03	11,464,702.03	0.00
Net Income	281,594.40	337,453.40	(55,859.00)
<b>Total Equity</b>	<b>11,746,296.43</b>	<b>11,802,155.43</b>	<b>(55,859.00)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>11,862,799.73</u></b>	<b><u>11,912,347.07</u></b>	<b><u>(49,547.34)</u></b>

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Income Statement**  
For the Month Ended June 30, 2017 & Fiscal Year to Date

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	Jun 17	Jul '16 - ...
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
<b>400. · District</b>		
402 · Property tax revenue	21,437	1,793,446
403 · Interest / Dividends	7,817	59,023
406 · Unearned Inc(Loss) - Cal Trust	(4,230)	(37,775)
<b>Total 400. · District</b>	<b>25,024</b>	<b>1,814,695</b>
<b>450. · Properties</b>		
450.01 · Disposition of Surplus Property		133,030
460 · Lease Income		
460.01 · A+ Urgent Care	4,800	57,600
<b>Total 460 · Lease Income</b>	<b>4,800</b>	<b>57,600</b>
<b>Total 450. · Properties</b>	<b>4,800</b>	<b>190,630</b>
<b>Total Income</b>	<b>29,824</b>	<b>2,005,325</b>
<b>Gross Profit</b>	<b>29,824</b>	<b>2,005,325</b>
<b>Expense</b>		
<b>500 · Administrative Expenses</b>		
500.36 · Accrued Vacation & Sick Leave	16,718	17,870
500.10 · Salaries	17,870	210,617
500.12 · Payroll Taxes	1,520	16,974
500.14 · W/C Insurance	136	1,633
500.15 · Employee Health & Welfare	1,318	12,222
500.16 · Board Stipends	2,000	16,300
500.17 · Education & Conferences	154	15,978
500.18 · Dues & Subscriptions		15,455
500.19 · Insurance - General	3,556	42,813
500.20 · Independent Accounting Services	850	10,200
500.21 · Annual Independent Audit		8,600
500.23 · General Counsel	7,333	95,753
500.25 · Office Expense		
01 · Communications	305	3,830
02 · I.T. and Website services	853	5,486
03 · Refreshments	101	5,631
04 · Office Expenses	487	10,868
05 · Admin fees		70
06 · Independent Contract Services	3,200	37,326
<b>Total 500.25 · Office Expense</b>	<b>4,946</b>	<b>63,210</b>
500.27 · Depreciation	72	564
500.29 · Dist Promotions & Publications	1,565	15,825
500.32 · Consultant Fees	10,413	82,738
500.33 · Copier Lease	839	9,698
580.01 · General Election		309
<b>Total 500 · Administrative Expenses</b>	<b>69,288</b>	<b>636,759</b>



**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Income Statement**  
For the Month Ended June 30, 2017 & Fiscal Year to Date

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	Jun 17	Jul '16 - ...
<b>590 · Management &amp; Maintenance</b>		
590.14 · Appraisal Services	350	16,785
590.01 · Building Engineer	6,689	89,142
590.02 · Gas & Electric	700	55,716
590.03 · Water	1,942	27,386
590.04 · Waste Management	162	1,529
590.05 · Security	1,100	13,213
590.06 · Landscape - Grounds Environment	1,600	20,413
590.07 · Custodial Services	555	4,155
590.08 · Elevator	173	2,705
590.09 · Vehicle Expenses	235	408
590.10 · Maintenance Services & Repairs	31	3,618
590.11 · Medical Records Store & Service	2,858	41,353
590.12 · Fire Alarm System		2,862
590.13 · CHS Residual Transition Expense		2,500
<b>Total 590 · Management &amp; Maintenance</b>	<b>16,395</b>	<b>281,785</b>
<b>600 · Community Health Contracts</b>		
600.02 · Fbk Citizens Crime Prevention		8,000
600.59 · Palomar Health Foundation		10,000
600.58 · Michelle's Place		15,000
600.54 · Healthy Adventures Foundation		9,000
600.53 · Jeremiah's Ranch		12,000
600.04 · Boys & Girls Club		37,200
600.07 · Fbk Senior Citizens Srvc Club		62,138
600.08 · Fallbrook Smiles Project		70,000
600.11 · Palomar Family Counseling Srvc		74,000
600.14 · Fbk Family Health Center		85,000
600.17 · Foundation for Senior Care		130,089
600.18 · Fallbrook Food Pantry		60,000
600.33 · REINS Therapeutic Prgm		46,300
600.37 · Trauma Intervention Prgm of SD		8,000
600.46 · Mental Health Systems, Inc.		9,620
600.47 · FUHS - Asperger's Support Ctr		6,500
600.48 · UCSD Eye Mobile for Children		8,500
600.57 · NC Fire Protection District		54,839
<b>Total 600 · Community Health Contracts</b>		<b>706,186</b>
<b>800 · District Direct Care Services</b>		
800.02 · A+ Urgent Care		99,000
<b>Total 800 · District Direct Care Services</b>		<b>99,000</b>
<b>Total Expense</b>	<b>85,683</b>	<b>1,723,730</b>
<b>Net Ordinary Income</b>	<b>(55,859)</b>	<b>281,594</b>
<b>Net Income</b>	<b>(55,859)</b>	<b>281,594</b>

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Profit & Loss Actual vs Budget**

July 2016 through June 2017

	Jul '16 -...	Budget	\$ Over ...
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
400. · District			
402 · Property tax revenue	1,793,446	1,700,000	93,446
403 · Interest / Dividends	59,023	40,000	19,023
406 · Unearned Inc(Loss) - Cal Trust	(37,775)	0	(37,775)
<b>Total 400. · District</b>	<b>1,814,695</b>	<b>1,740,000</b>	<b>74,695</b>
450. · Properties			
450.01 · Disposition of Surplus Property	133,030	0	133,030
460 · Lease Income			
460.01 · A+ Urgent Care	57,600	57,600	0
<b>Total 460 · Lease Income</b>	<b>57,600</b>	<b>57,600</b>	<b>0</b>
<b>Total 450. · Properties</b>	<b>190,630</b>	<b>57,600</b>	<b>133,030</b>
<b>Total Income</b>	<b>2,005,325</b>	<b>1,797,600</b>	<b>207,725</b>
<b>Gross Profit</b>	<b>2,005,325</b>	<b>1,797,600</b>	<b>207,725</b>
<b>Expense</b>			
500 · Administrative Expenses			
500.36 · Accrued Vacation & Sick Leave	17,870		
500.10 · Salaries	210,617	238,000	(27,383)
500.12 · Payroll Taxes	16,974	25,200	(8,226)
500.14 · W/C Insurance	1,633	1,150	483
500.15 · Employee Health & Welfare	12,222	18,360	(6,138)
500.16 · Board Stipends	16,300	26,400	(10,100)
500.17 · Education & Conferences	15,978	15,000	978
500.18 · Dues & Subscriptions	15,455	14,000	1,455
500.19 · Insurance - General	42,813	45,000	(2,187)
500.20 · Independent Accounting Servi...	10,200	10,200	0
500.21 · Annual Independent Audit	8,600	8,500	100
500.23 · General Counsel	95,753	125,000	(29,247)
500.25 · Office Expense			
01 · Communications	3,830	5,400	(1,570)
02 · I.T. and Website services	5,486	2,400	3,086
03 · Refreshments	5,631	4,400	1,231
04 · Office Expenses	10,868	16,000	(5,132)
05 · Admin fees	70		
06 · Independent Contract Services	37,326	56,000	(18,674)
<b>Total 500.25 · Office Expense</b>	<b>63,210</b>	<b>84,200</b>	<b>(20,990)</b>
500.27 · Depreciation	564	1,661	(1,097)
500.29 · Dist Promotions & Publications	15,825	6,000	9,825
500.32 · Consultant Fees	82,738	15,000	67,738
500.33 · Copier Lease	9,698	6,000	3,698
500.85 · Calif Mandated Reimbursement	0	(10,000)	10,000
580.01 · General Election	309	40,000	(39,691)
<b>Total 500 · Administrative Expenses</b>	<b>636,759</b>	<b>669,671</b>	<b>(32,912)</b>

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Profit & Loss Actual vs Budget**

July 2016 through June 2017

	Jul '16 -...	Budget	\$ Over ...
<b>590 · Management &amp; Maintenance</b>			
590.14 · Appraisal Services	16,785		
590.01 · Building Engineer	89,142	84,500	4,642
590.02 · Gas & Electric	55,716	94,200	(38,484)
590.03 · Water	27,386	24,000	3,386
590.04 · Waste Management	1,529	1,500	29
590.05 · Security	13,213	13,500	(287)
590.06 · Landscape - Grounds Environ...	20,413	32,500	(12,087)
590.07 · Custodial Services	4,155	1,500	2,655
590.08 · Elevator	2,705	2,000	705
590.09 · Vehicle Expenses	408	1,500	(1,092)
590.10 · Maintenance Services & Repairs	3,618	21,150	(17,532)
590.11 · Medical Records Store & Servi...	41,353	0	41,353
590.12 · Fire Alarm System	2,862		
590.13 · CHS Residual Transition Expe...	2,500		
<b>Total 590 · Management &amp; Maintenance</b>	<b>281,785</b>	<b>276,350</b>	<b>5,435</b>
<b>600 · Community Health Contracts</b>			
600.02 · Fbk Citizens Crime Prevention	8,000	8,000	0
600.59 · Palomar Health Foundation	10,000	10,000	0
600.58 · Michelle's Place	15,000	15,000	0
600.54 · Healthy Adventures Foundation	9,000	9,000	0
600.53 · Jeremiah's Ranch	12,000	12,000	0
600.04 · Boys & Girls Club	37,200	37,200	0
600.07 · Fbk Senior Citizens Srvc Club	62,138	61,863	275
600.08 · Fallbrook Smiles Project	70,000	70,000	0
600.11 · Palomar Family Counseling Srvc	74,000	74,000	0
600.14 · Fbk Family Health Center	85,000	85,000	0
600.17 · Foundation for Senior Care	130,089	130,089	0
600.18 · Fallbrook Food Pantry	60,000	60,000	0
600.33 · REINS Therapeutic Prgm	46,300	46,300	0
600.37 · Trauma Intervention Prgm of SD	8,000	8,000	0
600.46 · Mental Health Systems, Inc.	9,620	9,620	0
600.47 · FUHS - Asperger's Support Ctr	6,500	6,500	0
600.48 · UCSD Eye Mobile for Children	8,500	8,500	0
600.57 · NC Fire Protection District	54,839	29,839	25,000
<b>Total 600 · Community Health Contracts</b>	<b>706,186</b>	<b>680,911</b>	<b>25,275</b>
<b>800 · District Direct Care Services</b>			
800.02 · A+ Urgent Care	99,000	0	99,000
<b>Total 800 · District Direct Care Services</b>	<b>99,000</b>	<b>0</b>	<b>99,000</b>
<b>Total Expense</b>	<b>1,723,730</b>	<b>1,626,932</b>	<b>96,798</b>
<b>Net Ordinary Income</b>	<b>281,594</b>	<b>170,668</b>	<b>110,926</b>
<b>Net Income</b>	<b>281,594</b>	<b>170,668</b>	<b>110,926</b>

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Profit & Loss Budget Overview 2016 - 2017**  
 July 2016 through June 2017

	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	TOTAL Jul '16 - Jun 17
<b>Ordinary Income/Expense</b>													
<b>Income</b>													
<b>400. · District</b>													
402 · Property tax revenue	13,065	12,100	15,100	13,506	75,399	633,527	253,274	42,453	45,983	388,488	184,194	22,910	1,700,000
403 · Interest / Dividends	3,841	3,925	2,044	3,100	2,663	5,116	5,230	2,693	3,815	2,690	2,731	2,151	40,000
<b>Total 400. · District</b>	<b>16,906</b>	<b>16,025</b>	<b>17,144</b>	<b>16,606</b>	<b>78,062</b>	<b>638,643</b>	<b>258,505</b>	<b>45,146</b>	<b>49,798</b>	<b>391,178</b>	<b>186,926</b>	<b>25,061</b>	<b>1,740,000</b>
<b>450. · Properties</b>													
<b>460 · Lease Income</b>													
460.01 · A+ Urgent Care	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600
<b>Total 460 · Lease Income</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>57,600</b>
<b>Total 450. · Properties</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>57,600</b>
<b>Total Income</b>	<b>21,706</b>	<b>20,825</b>	<b>21,944</b>	<b>21,406</b>	<b>82,862</b>	<b>643,443</b>	<b>263,305</b>	<b>49,946</b>	<b>54,598</b>	<b>395,978</b>	<b>191,726</b>	<b>29,861</b>	<b>1,797,600</b>
<b>Gross Profit</b>	<b>21,706</b>	<b>20,825</b>	<b>21,944</b>	<b>21,406</b>	<b>82,862</b>	<b>643,443</b>	<b>263,305</b>	<b>49,946</b>	<b>54,598</b>	<b>395,978</b>	<b>191,726</b>	<b>29,861</b>	<b>1,797,600</b>
<b>Expense</b>													
<b>500 · Administrative Expenses</b>													
500.10 · Salaries	16,533	18,533	18,533	18,533	20,533	20,533	20,533	20,533	20,910	20,910	20,910	21,006	238,000
500.12 · Payroll Taxes	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	25,200
500.14 · W/C Insurance	96	96	96	96	96	96	96	96	96	96	96	96	1,150
500.15 · Employee Health & Welfare	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	18,360
500.16 · Board Stipends	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	26,400
500.17 · Education & Conferences	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
500.18 · Dues & Subscriptions	7,500	591	591	591	591	591	591	590	591	591	591	591	14,000
500.19 · Insurance - General	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
500.20 · Independent Accounting Services	850	850	850	850	850	850	850	850	850	850	850	850	10,200
500.21 · Annual Independent Audit	0	0	0	8,500	0	0	0	0	0	0	0	0	8,500
500.23 · General Counsel	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	125,000
500.25 · Office Expense													
01 · Communications	450	450	450	450	450	450	450	450	450	450	450	450	5,400
02 · I.T. and Website services	933	250	250	0	250	217	0	0	250	0	250	0	2,400
03 · Refreshments	367	367	367	367	367	367	367	367	367	367	367	367	4,400
04 · Office supplies	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	16,000
06 · Independent Contract Services	2,176	2,176	2,176	5,576	5,556	5,506	5,506	5,506	5,406	5,404	5,506	5,506	56,000
<b>Total 500.25 · Office Expense</b>	<b>5,259</b>	<b>4,576</b>	<b>4,576</b>	<b>7,726</b>	<b>7,956</b>	<b>7,873</b>	<b>7,656</b>	<b>7,656</b>	<b>7,806</b>	<b>7,554</b>	<b>7,906</b>	<b>7,656</b>	<b>84,200</b>
500.27 · Depreciation	138	138	138	138	138	138	138	138	138	138	138	138	1,661
500.29 · Dist Promotions & Publications	4,000	250	250	250	100	100	100	100	200	250	250	150	6,000
500.32 · Consultant Fees	8,000	650	650	650	650	650	650	650	650	600	600	600	15,000
500.33 · Copier Lease	500	500	500	500	500	500	500	500	500	500	500	500	6,000
500.85 · Calif Mandated Reimbursement	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(10,000)
580.01 · General Election	0	0	0	40,000	0	0	0	0	0	0	0	0	40,000
<b>Total 500 · Administrative Expenses</b>	<b>63,290</b>	<b>46,598</b>	<b>46,598</b>	<b>98,248</b>	<b>51,828</b>	<b>51,745</b>	<b>51,528</b>	<b>51,527</b>	<b>52,155</b>	<b>51,903</b>	<b>52,255</b>	<b>52,001</b>	<b>669,671</b>
<b>590 · Management &amp; Maintenance</b>													
590.01 · Building Engineer	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	84,500
590.02 · Gas & Electric	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	94,200
590.03 · Water	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
590.04 · Waste Management	125	125	125	125	125	125	125	125	125	125	125	125	1,500
590.05 · Security	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	13,500
590.06 · Landscape - Grounds Environment	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	32,500
590.07 · Custodial Services	125	125	125	125	125	125	125	125	125	125	125	125	1,500
590.08 · Elevator	167	167	167	167	167	167	167	167	167	167	167	167	2,000
590.09 · Vehicle Expenses	125	125	125	125	125	125	125	125	125	125	125	125	1,500
590.10 · Maintenance Services & Repairs	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	21,150
<b>Total 590 · Management &amp; Maintenance</b>	<b>23,029</b>	<b>23,029</b>	<b>23,029</b>	<b>23,029</b>	<b>23,029</b>	<b>23,029</b>	<b>23,029</b>	<b>23,029</b>	<b>23,029</b>	<b>23,029</b>	<b>23,029</b>	<b>23,029</b>	<b>276,350</b>

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Profit & Loss Budget Overview 2016 - 2017**  
 July 2016 through June 2017

	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	TOTAL Jul '16 - Jun 17
<b>600 · Community Healthcare Programs</b>													
600.02 · Fibk Citizens Crime Prevention	2,500	0	0	0	2,500	0	0	3,000	0	0	0	0	8,000
600.59 · Palomar Health Foundation	2,500	0	0	0	2,500	0	0	2,500	0	0	2,500	0	10,000
600.58 · Michelle's Place	5,000	0	0	0	5,000	0	0	2,500	0	0	2,500	0	15,000
600.54 · Healthy Adventures Foundation	3,000	0	0	0	0	0	0	3,000	0	0	3,000	0	9,000
600.53 · Jeremiah's Ranch	6,000	0	0	0	6,000	0	0	0	0	0	0	0	12,000
600.04 · Boys & Girls Club	14,700	0	0	0	7,500	0	0	7,500	0	0	7,500	0	37,200
600.07 · Senior Citizens Center	15,275	0	0	0	15,525	0	0	15,525	0	0	15,538	0	61,863
600.08 · Smiles Project	17,500	0	0	0	17,500	0	0	17,500	0	0	17,500	0	70,000
600.11 · Palomar Family Coun.Serv.	18,500	0	0	0	18,500	0	0	18,500	0	0	18,500	0	74,000
600.14 · Fibk Family Health Center	21,250	0	0	0	21,250	0	0	21,250	0	0	21,250	0	85,000
600.17 · Foundation for Senior Care	39,446	0	0	0	39,196	0	0	39,197	0	0	12,250	0	130,089
600.18 · Fibk Comm Project - Food Pantry	15,000	0	0	0	15,000	0	0	15,000	0	0	15,000	0	60,000
600.33 · REINS Therapy	15,700	0	0	0	10,200	0	0	10,200	0	0	10,200	0	46,300
600.37 · Trauma Intervention Programs	4,000	0	0	0	0	0	0	4,000	0	0	0	0	8,000
600.46 · North Inland Comm Prev Program	3,206	0	0	0	3,206	0	0	3,208	0	0	0	0	9,620
600.47 · FUHS - Asperger's Support Ctr	0	0	0	0	3,250	0	0	3,250	0	0	0	0	6,500
600.48 · UCSD Eye Mobile for Children	0	0	0	0	0	0	0	8,500	0	0	0	0	8,500
600.57 · North County Fire Protect Distr	29,839	0	0	0	0	0	0	0	0	0	0	0	29,839
<b>Total 600 · Community Healthcare Programs</b>	<b>213,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>167,127</b>	<b>0</b>	<b>0</b>	<b>174,630</b>	<b>0</b>	<b>0</b>	<b>125,738</b>	<b>0</b>	<b>680,911</b>
<b>Total Expense</b>	<b>299,735</b>	<b>69,627</b>	<b>69,627</b>	<b>121,277</b>	<b>241,984</b>	<b>74,774</b>	<b>74,557</b>	<b>249,186</b>	<b>75,184</b>	<b>74,932</b>	<b>201,022</b>	<b>75,030</b>	<b>1,626,932</b>
<b>Net Ordinary Income</b>	<b>(278,028)</b>	<b>(48,801)</b>	<b>(47,682)</b>	<b>(99,871)</b>	<b>(159,122)</b>	<b>568,669</b>	<b>188,748</b>	<b>(199,240)</b>	<b>(20,586)</b>	<b>321,046</b>	<b>(9,296)</b>	<b>(45,168)</b>	<b>170,668</b>
<b>Net Income</b>	<b>(278,028)</b>	<b>(48,801)</b>	<b>(47,682)</b>	<b>(99,871)</b>	<b>(159,122)</b>	<b>568,669</b>	<b>188,748</b>	<b>(199,240)</b>	<b>(20,586)</b>	<b>321,046</b>	<b>(9,296)</b>	<b>(45,168)</b>	<b>170,668</b>



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND  
REMITTANCE ADVICE

Agency Name

FALLBROOK HEALTHCARE DISTRICT

Account Number

As of 07/14/2017, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2017.

Earnings Ratio		.00002531309414880
Interest Rate		0.92%
Dollar Day Total	\$	131,776,403.72
Quarter End Principal Balance	\$	1,448,487.47
Quarterly Interest Earned	\$	3,335.67



FALLBROOK HEALTHCARE DISTRICT  
 STATEMENT FOR PERIOD  
 June 01, 2017 - June 30, 2017

CalTrust Medium Term Fund - FALLBROOK HEALTHCARE DIST

Date	Transaction	Shares	Price Per Share	Amount	Average Cost NAV	Average Cost Amount	Realized Gain/Loss*
05/31/2017	BALANCE FORWARD	422,577.383	10.05	4,246,902.70	10.05196537	4,247,733.22	
06/01/2017	INCOME DISTRIBUTION - MAY	454.946	10.05	4,572.21	10.05196326	4,572.21	0.00
06/30/2017	UNREALIZED GAIN (LOSS)	0.000		-4,230.33		0.00	
06/30/2017	ENDING BALANCE	<u>423,032.329</u>	10.04	<u>4,247,244.58</u>		<u>4,252,305.43</u>	
	INCOME DISTRIBUTION PAID - MAY			0.00			
	INCOME ACCRUAL - JUNE			4,481.61			
	CUMULATIVE UNREALIZED GAIN (LOSS)			-5,060.85			

\* Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

**For Inquiries About Your Account, Contact:**

Nottingham Investment Administration  
 116 South Franklin Street  
 Rocky Mount, NC 27804  
 Attention: CalTRUST Shareholder Services  
 Phone: 800.773.3863  
 Fax: 252-972-1908  
 Email: caltrustsupport@ncfunds.com

FALLBROOK HEALTHCARE DISTRICT  
 FALLBROOK HEALTHCARE DIST  
 ATTN: BOBBI A PALMER  
 138 SOUTH BRANDON ROAD  
 FALLBROOK CA 92028

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Property Tax Revenue - Fiscal Year to Date**  
 July 2016 through June 2017

	Type	Date	Name	Amount	Balance
<b>400. - District</b>					
<b>402 - Property tax revenue</b>					
	Deposit	07/20/16	County of SD-pro...	13,064.78	13,064.78
	Deposit	08/10/16	County of SD-pro...	28,616.73	41,681.51
	Deposit	09/07/16	County of SD-pro...	9,576.71	51,258.22
	Deposit	10/04/16	County of SD-pro...	23,342.78	74,601.00
	Deposit	11/02/16	County of SD-pro...	50,132.27	124,733.27
	Deposit	12/07/16	County of SD-pro...	600,065.52	724,798.79
	Deposit	01/18/17	County of SD-pro...	297,496.04	1,022,294.83
	Deposit	02/15/17	County of SD-pro...	63,789.21	1,086,084.04
	General Jou...	03/31/17	County of SD-pro...	457,124.14	1,543,208.18
	General Jou...	04/30/17	County of SD-pro...	214,331.45	1,757,539.63
	General Jou...	05/31/17	County of SD-pro...	14,469.90	1,772,009.53
	Deposit	06/21/17	County of SD-pro...	7,386.93	1,779,396.46
	General Jou...	06/30/17	County of SD-pro...	14,050.02	1,793,446.48
	Total 402 - Property tax revenue			1,793,446.48	1,793,446.48
	Total 400. - District			1,793,446.48	1,793,446.48
<b>TOTAL</b>				<b>1,793,446.48</b>	<b>1,793,446.48</b>



FALLBROOK REGIONAL HEALTH DISTRICT  
Check Detail Report - June 2017

Type	Date	Num	Name	Memo	Amount
102.2 · Cash in Bank - New Operating					
Bill P...	06/01/17	9142	Galvanized strategies form...	Retainer - Community engagement...	-4,000.00
Bill P...	06/01/17	9143	L & M Enterprises, Inc.	May bookkeeping hours; mileage r...	-3,665.58
Bill P...	06/01/17	9144	Ramirez Landscaping & Tr...	Landscape maintenance April 2017	-1,600.00
Bill P...	06/01/17	9145	Village News	1641	-495.00
Bill P...	06/07/17	9146	American Express - Credit ...	0-41007	-1,514.61
Bill P...	06/07/17	9147	BETA Health Insurance (...)	WC Insurance 8/1-8/3/17; Member...	-1,824.00
Bill P...	06/07/17	9148	County of SD-Treasurer	219-6240037	-114.04
Bill P...	06/07/17	9149	Fallbrook Waste - FHD 44...	20-T1 441078	-69.50
Bill P...	06/07/17	9150	Fallbrook Waste - Hospital...	20-T3 439928	-92.70
Bill P...	06/07/17	9151	Holloway Computers	IT Services - QB restoration	-600.00
Bill P...	06/07/17	9152	Iron Mountain-153	CHSRM	-1,233.32
Bill P...	06/07/17	9153	Iron Mountain SX-302	SX302/Fallbrook Hosp.	-924.22
Bill P...	06/07/17	9154	Kathleen Bogle	May 2017 services rendered	-850.00
Bill P...	06/07/17	9155	Ramirez Landscaping & Tr...	Landscape maintenance May 2017	-1,600.00
Bill P...	06/07/17	9156	Sun Realty	Property research for FRHD 5/8-6/...	-2,700.00
Bill P...	06/13/17	9157	AT&T U-Verse - computer	146524365	-100.00
Bill P...	06/13/17	9158	Aztec Cleaning & Maintena...	Office cleaning - Inv. 203833	-150.00
Bill P...	06/13/17	9159	Carol Altemeier	GPARG-general purpose residential ...	-350.00
Bill P...	06/13/17	9160	FPUD - Hospital 2 008757	008757	-239.98
Bill P...	06/13/17	9161	Karn Engineering & Survey...	Prepare/revise easement legal des...	-1,835.00
Bill P...	06/13/17	9162	Palomar Mountain Premiu...	45919	-24.37
Bill P...	06/13/17	9163	Paragon Services Enginee...		-14,749.49
Bill P...	06/13/17	9164	Post Office	P.O. BOX ANNUAL RENTAL FEE-...	-198.00
Bill P...	06/13/17	9165	Scott & Jackson Esq.	Professional services 2017 MAY	-9,110.50
Bill P...	06/13/17	9166	Streamline	Website monthly fee May 2017 - In...	-200.00
Bill P...	06/13/17	9167	T.R.Y. Enterprises	Patrol Service for June 2017	-1,100.00
Check	06/15/17	9168	Pamela Knox	Dental & Medicare Reimbursements	-321.62
Bill P...	06/15/17	9169	Ascent Elevator Services, I...	Elevator Service - Inv. 28642	-173.00
Bill P...	06/15/17	9170	County of San Diego	Submittal fee for plots and parcels ...	-2,599.00
Bill P...	06/20/17	9171	Citrus Plaza Self Storage	Storage Unit #322 rental fee 7/1-7/...	-203.00
Bill P...	06/20/17	9172	DMV	License No. 8P81480 registration r...	-184.00
Bill P...	06/20/17	9173	Touchbase	344664	-54.93
Bill P...	06/22/17	9174	All Valley Rooter & Plumbing	A+ Urgent Care - drain cleared	-105.00
Bill P...	06/22/17	9175	CalPERS	1559595490	-780.86
Bill P...	06/22/17	9176	L & M Enterprises, Inc.	Bookkeeping for 6/1-6/22/17	-2,440.00
Bill P...	06/23/17	9178	Iron Mountain SX-302	M. Greeley Records Removed	-399.25
Check	06/23/17	9177	VOID CHECK	VOID:	0.00
Check	06/29/17	9179	Linda Bannerman	Reimbursement for Dental Plan pr...	-215.22
Total 102.2 · Cash in Bank - New Operating					-56,816.19
<b>TOTAL</b>					<b>-56,816.19</b>





## FINANCE COMMITTEE

### Minutes

Wednesday, July 5, 2017 at 5:00 P.M.

Board Conference Room, 138 S. Brandon Rd., Fallbrook CA 92028

Committee Members Present: Finance Committee of the Whole, Barbara Mroz, Chair; Bill Leach, Co-chair; Howard Salmon; Stephen Abbott and Gordon Tinker.

Also present: Bookkeeper: Wendy Lyon; Admin. Assistant: Linda Bannerman and Bruce Schwandt.

1. Call to Order/Roll Call

The meeting was called to order by Chairperson Barbara Mroz at 5:25 p.m.

2. Public Comments

Bruce Schwandt attended the meeting and asked questions about the moneys of the District and the accounts of the District and any documents related to the use of those funds. He expressed his concerns regarding the District's sale of the old hospital building to Crestwood Behavioral Health, Inc. He voiced his dissatisfaction with the District citing concerns about actions taken by the District and questioning why this matter was not taken to a public vote.

3. Review of Financial Statements for May 2017

1) Balance Sheet Comparison of April – May

2) Income Statement for May 2017 and fiscal year to date

3) Profit & Loss Actual vs Budget May

4) Profit & Loss Budget Overview July 2016 – June 2017

Each of the above financial statements was reviewed and questions were appropriately answered. There were no major variances or other areas of concern.

5) LAIF Report

There was a beginning and ending balance in the LAIF account of \$1,448,487.47.

6) Cal-Trust

There was discussion regarding unrealized loss or gain. The account balance was \$4,246,902.70.

7) Property Tax Revenue – fiscal year to date

Fiscal Year-to-Date the District has received \$1,772,009.53

8) Check Detail as of May 2017

There were no concerns with the check detail report.

9) Draft Budget for Fiscal Year 2017-2018

Discussion ensued regarding the draft budget. It was determined they would like to have an explanation for any line item that has a 10 percent variance (increase or decrease). There was a question regarding consultant fee increases. There was discussion regarding any projected increase in property tax revenue. Director Tinker proposed a fiscal policy for adoption at the next board meeting. It would set up two funds: Community Investment Fund for long-range capital investments for real estate, construction and vehicle purchases. The second would be the Operations Fund to cover administration, facilities maintenance and Community Health Contracts. These would need to be sustainable with revenue coming to the District. The committee postponed further proposed budget discussion to the next meeting. The committee recommended the Fiscal Policy be taken to the full board for approval at the next regular meeting.

4. Adjournment

There being no further business, the meeting was adjourned at 7:00 p.m.

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Board Secretary/Clerk



**FALLBROOK REGIONAL HEALTH DISTRICT  
REGULAR BOARD MEETING  
Wednesday, July 12, 2017, 6:00 p.m.  
Fallbrook Public Utilities District, 990 E. Mission Rd., Fallbrook**

**Minutes**

**A. CALL MEETING TO ORDER – PLEDGE OF ALLEGIANCE**

President Gordon Tinker called the meeting to order at 6:04 p.m. and led the Pledge of Allegiance.

Present: Directors Stephen Abbott, Bill Leach, Barbara Mroz, Howard Salmon and Gordon Tinker.

Also present: Legal Counsel Blaise Jackson and Accountant Kathy Bogle.

**B. ADDITIONS TO AGENDA**

None

**C. PRESENTATIONS**

- C1. Vanessa Hernandez, President – “Fallbrook Outreach” by Fallbrook Youth Advocacy Coalition (Mental Health Systems – North Inland Community Prevention Program)  
Vanessa Hernandez, President of the Fallbrook Youth Advocacy Coalition reported on the ongoing Fallbrook Outreach efforts of their organization. She said they are dedicated to keeping the youth in our community drug-free, alcohol-free, gang-free and opposed to graffiti. She said they are dedicated to advocating change about community perceptions regarding accepted norms related to substance use and abuse. She said as the future generation they advocate shaping an environment of healthy lifestyles. Activities include yearly leadership conferences, learning good communication skills, participation in prescription drug takeback events, and surveying communities by visiting housing areas and talking with parents and youth about their perceptions of illegal activities in their neighborhoods. They also have a campaign in local markets and liquor stores wherein they place stickers on alcoholic products reminding people that it is illegal to provide alcoholic beverages to youth. Their goal is to make our community better for all and future generations. Lastly, she thanked the Fallbrook Regional Health District for providing funding for their organization.
- C2. Bruce Schwandt – “Questions and Concerns About The Hospital Sale”  
Mr. Schwandt voiced his concern regarding the sale of the old hospital building to Crestwood Behavioral Health, Inc. He said he believes it is not safe and not of benefit to Fallbrook. He said it will bring a toxic element that will be significant and irreversible without a vote from the public approving it, with no services for Fallbrook residents and not a single job guaranteed. He said the District should be allocating resources for the greatest benefit of the residents in the District. He said there have been shaky promises and a lack of transparency. He requested that the BOD act to delay the transaction with Crestwood and allow the community to vote, or that the District abandon the transaction. Mr. Schwandt then discussed “5150” Involuntary Confinements, dual diagnosis, and said there is no guarantee that violent criminals, legally insane people, and sex offenders will not be housed at this proposed facility. He expressed concern that people housed in the

facility will be coming from three other counties, they will be provided group and individual passes and there is no guarantee they will return to their County of origin. He went on to say that Crestwood is in business to make money, there are no requirements for filtering of patients, and that ten Crestwood facilities currently house at least one sex offender. He said that currently San Diego Health & Human Services is not contracted with the proposed facility. "Great idea - horrible location". He said "We hired you to bring services to us. Not to sell assets, give away our money and bring sex offenders to town." He said he believes the balance sheet was doctored to take away our vote. He alleged violations of The Brown Act in not notifying residents of the sale. He expressed concern about property values decreasing. "Why is the hospital building being sold? Look for a better use."

- C3. Fallbrook Healing Center by Executive Vice President Patricia Blum, Ph.D., CPRP of Crestwood Behavioral Health, Inc. Dr. Patricia Blum has worked with Crestwood for 37 years. She said on the Crestwood website and the Fallbrook Regional Health District website that there are answers to many of the questions. She said Crestwood has twenty facilities from Eureka to Chula Vista. They are accredited by the Commission of Accreditation of Rehabilitation Facilities. She addressed the Mental Health Rehabilitation Center versus an Acute Psychiatric Hospital. She said Crestwood is NOT a 5150 designated site and does not take those individuals. Patients are screened thoroughly before being admitted to a mental health rehabilitation center. There is a full vetting process. Rehabilitation is the goal, not stabilization as is done in Acute Psychiatric Hospitals. While San Diego has not yet committed to beds in the facility, it is due to the fact that the facility is not yet licensed. The estimated need for North County is ten beds in this facility. She explained the process for admission and the screening process. Patients are admitted on the order of a doctor. The people served by this facility are returned back to their community of origin with continuing follow up care. Patient outings are supervised. The Kingsburg Police Department reported to the Fallbrook Sheriff's Department that Crestwood has been a great community partner and the few calls received for service were easily resolved. Crestwood provides a great service and is a valued partner with the Kingsburg Police.
- C4. 2017-2018 Community Health Contracts  
President Tinker said the District collaborates with non-profits in our communities to provide much needed services to the residents of the District. At the last meeting of the Board, Community Health Contracts recipients were announced with a total of \$858,712.35 being awarded. Each member of the Board of Directors participated in the presentation of an initial check to his/her assigned non-profit organization as follows;

Director Bill Leach

**Boys & Girls Clubs of North County – Summer Water Safety**

**Boys & Girls Clubs of North County – Triple Play**

Allison Barclay said 250 children are taught water safety each Summer at the Boys & Girls Club. Triple Play teaches health, fitness and nutrition. She thanked the District.

**Fallbrook Citizens Crime Prevention Committee -GANAS Mentoring Program**

Phyllis Sweeney noted that Pat Braendel, President and Founder of GANAS, had passed away unexpectedly earlier in the year. Phyllis served as Vice President and accepted the check for GANAS which stands for Guide, Advise, Nurture and Support for children 9-16 and provides after school activities.

**Fallbrook Family Health Center – Health Promotion Coordination, Integration and Education for the Community**

Denis Vega said the health center is for all residents in the community. Education, prevention and health services are provided at the health center. A patient advisory committee provides input as to needed services. Working with FRHD the health center looks at health disparities and works to provide specific targeted services to meet the community health needs.

Director Howard Salmon

**Michelle’s Place – Breast Cancer Resource Center**

Jan Geller thanked the District for supporting these services in Fallbrook. All services are free to those in need, including mammograms, ultrasound and biopsies. There is a Pink Ribbon Association providing multiple services to patients with breast cancer and their families.

**Healthy Adventures – Fallbrook Community Center Wellness Project**

Dr. Wendy Hileman discussed services provided for students at La Paloma Elementary School including healthy cooking, fitness classes, nutrition and gardening classes. This year they will also work with the Boys & Girls Club.

**Live Oak Park Coalition – Health Improvement Project**

Stephanie Baxter thanked the District for supporting our historical Live Oak Park through support for helping to meet ADA requirements for upgrading exercise stations available within the Park.

**Mental Health Systems – North Inland Community Prevention Program**

Ron Stark said the Fallbrook Youth Advocacy Coalition is sponsored by this program and he said they work with youth to reduce under age drug use and drinking. He said it is effective because youth know what is going on in their communities and have a relevant perspective. He thanked the District for its support.

**Jeremiah’s Ranch – Support Group**

Linella Vitale discussed the services provided by this support group to families with members with disabilities. Their focus this year is on health & nutrition and healthy gardening.

Director Stephen Abbott

**Foundation for Senior Care – Care Advocate Program**

**Care Van & Expanded Rides Transportation**

**Respite Support at the Adult Day Care**

**Door through Door Hospital to Home Program**

Rachel Mason described the four programs listed above and the many services they provide, e.g. respite for caregivers; rides for seniors. The Door through Door program is new and serves patients having need for services following a hospital stay. She thanked the District for support.

Director Barbara Mroz

**Fallbrook Food Pantry – Nutritious Food for our Neighbors**

Jennifer Vetch said the support from the District and the community provides food for the hungry. The Food Pantry works with the District and other not-for-profits to provide additional services, e.g. health screenings as well. She noted all of these organizations do great work in our community.



**Fallbrook Senior Center – Mobility Program****Senior Nutrition – Home Delivered Meals**

Phyllis Sweeney said the Senior Center is very grateful for the support for the Senior Mobility Program and the Senior Nutrition – Home Delivered Meals. Exercise is Medicine and the exercise equipment donated by the District helps to keep seniors exercising. Many of the seniors requiring home delivered meals are ex-military in our community. Food is Medicine too and healthy, nutritional meals are essential and much appreciated by seniors who are home-bound.

**Fallbrook Smiles – Celebrate Health**

Janine Loescher said Celebrate Health provides health screenings in the schools, counseling services and partners with other not-for profits in the community on several health related projects.

Director Gordon Tinker**Palomar Family Counseling – Healthy Bodies, Healthy Minds**

Lisa Turner thanked the District for their support. The program was developed in conjunction with the Fallbrook Elementary School District. It targets behavioral health and physical health and involves working with students and parents.

**Trauma Intervention Program of San Diego – TIP**

Shay Gebler-Bence and Dale Stewart discussed the work accomplished by trained volunteers helping in times of trauma. First responders are grateful for the support provided by these volunteers in times of crises.

**UCSD Eye Mobile for Children**

Eric Hernandez said UCSD provides vision screening for children in pre-school. If needed, they are referred to the mobile eye clinic at no cost to the parent. Glasses are also provided at no cost if needed. Some serious eye issues, if identified early, can save sight.

**REINS – Behavioral Health & Wellness Therapy Program**

Director Tinker noted that the representative was called away for an emergency. He said this program provides physically and mentally strengthening therapy on horseback for the special needs community with the assistance of a large force of well trained volunteers while promoting overall health and well-being and physical activity to all participants.

**D. BOARD MEMBER AND PUBLIC COMMENTS**

President Tinker said there were many people filling out speaker request cards to address the Board. He said while the cards indicate a speaker has up to five minutes, he would appreciate speakers limiting their time to three minutes.

Peter Klein questioned the California Health & Safety Code cited previously in regards to assets and questioned if there was a "bait & switch" to avoid transparency and keep the matter of the sale of the old hospital building from going to a vote.

Tracey Schwandt said before the Board voted for the sale to Crestwood, was there any consideration of the District resident's needs. She questioned the number of patients that can be treated at the proposed Fallbrook Crestwood location. She said in a meeting with representatives from Supervisor Horn's office they told her they knew nothing about it and weren't "happy" about it. She said Crestwood is a for-profit and if the sale goes through it will be an asset lost forever. She wants the escrow stopped and she wants a vote.

Brian Hobbs said he is a long-time resident and has concern about transparency. How can the Board make a decision without a community vote? Let the people vote. He said he wants to see a copy of the signed Purchase & Sale Agreement and valuations. How was the 50% of assets calculated?

Vi Dupre noted that the need for mental health services is great. The District Board worked very hard to replace hospital services in this community and learned it is not sustainable. She said there is fear of mentally ill people. What about compassion, kindness and caring?

Eric Revere said he understands the fears and anguish expressed regarding mentally ill people. He had the same views until his son was diagnosed with schizophrenia while in college. Mr. Revere said he has since been involved with the National Alliance on Mentally Illness (NAMI) and learned that community rehabilitation is effective. He supports Crestwood located in Fallbrook.

John Stone expressed his concern about Crestwood being located near two board & care facilities. Fallbrook residents are not safe with a "medium security prison" filled with unfortunate souls from outside the area. Fallbrook will become a dumping ground for pedophiles, sexual predators, criminals on early release. Stop it now. It's all about the money.

Liz Kruidenier, President of NAMI North Coastal, said she hears more fear than hope expressed here. She said she is an immigrant American and appreciates being here. She is grateful to places like Crestwood too in doing a great job for people who cannot help themselves. These people with time and help can recover. Love makes the world go around and she doesn't sense a lot of it in this room. Look into your hearts.

Joe Beyer complimented the Board for listening. Do what is morally and ethically right and remember, Fallbrook is The Friendly Village.

Travis Ives of Cushman & Wakefield served as real estate broker for the sale of the hospital building. He provided a history of the efforts to sell the building. Selling a vacant hospital is not easy. A qualified and capable buyer has been difficult to find. If not Crestwood, or another behavioral health provider, it is likely the value will be reduced to such that the value of the land is all that is left.

Genny Day had completed a request to speak card that was missed during the public comment period. She spoke just prior to adjournment. She said her daughter suffered from postpartum depression and she tried really hard to get well, but couldn't get into a facility. She did not succeed and committed suicide. She spoke in support of behavioral health services being provided in Fallbrook for someone else in the future who will have an opportunity to overcome a mental health issue.

## E. CONSENT ITEMS

- E1. Approval of May 2017 Financial Statements
- E2. Minutes of June 7, 2017 Special Board Meeting
- E3. Minutes of June 7, 2017 Finance Committee Meeting
- E3. Minutes of June 14, 2017 Regular Board Meeting

**Action:** On motion duly made by Director Salmon, seconded by Bill Leach to approve the Consent Items as presented. Motion carried. 5-0

## F. REPORTS

- F1. Finance Committee – Committee of the Whole, Chair: Director Mroz  
Director Mroz provided the Finance Committee report for the meeting of July 12<sup>th</sup>. She noted that in addition to the entire board and bookkeeper, Bruce Schwandt attended the

meeting to voice his concerns regarding the sale of the old hospital building to Crestwood. An overview of the financial reports resulted in no major variances. Overall, continued steady growth was noted from April to May, 2017. Profit & Loss variances were explained and warranted. The LAIF account balance was \$1,448,487.47 and Cal Trust had an increase of up to \$4,000 with a balance of \$4,246,902.70. The Property Tax Revenue for May 31st was \$14,469.90 and total Property Tax Revenue was \$1,772,009.53. There was discussion of the proposed draft budget for Fiscal Year July 1, 2017 thru June 30, 2018. Some details regarding anticipated variances are still in consideration and will be discussed at the next Finance Committee meeting. Thereafter the proposed budget will be brought to the board for approval. The meeting was adjourned at 7:00 p.m.

- F2. Gov't/Public Relations/Community Relations Committee – Directors Salmon and Tinker  
None.
- F3. Facilities/Strategic Planning Committee – Directors Abbott and Salmon  
None.
- F4. Executive Director – Bobbi Palmer (presented by Director Mroz)  
Director Mroz provided the executive director's report in her absence. Regarding Community Health, a Health Fair was held at the Fallbrook Family Health Center on June 24<sup>th</sup>, with participation by the District and the CSUSM RN students, who provided health screenings. A Wellness Summit sponsored by ACHD and Stanford University takes place July 13th in Sacramento. Director Bill Leach and Administrative Assistant Linda Bannerman will attend. Interest has been expressed in utilizing the downstairs area of the FRHD office building for several uses including the following: health classes, support groups, health-related non-profit activities, a computer lab, health center activities, and non-profit business meetings. This community space ideally would be a benefit to our residents. The executive director will be inviting our residents and conducting focus groups to share their recommendations.
- F5. General Counsel – Blaise Jackson  
Legal Counsel said most of his remarks would be confined to the Discussion/Action section of the agenda. He said in response to some of the remarks made during the Public Comment Section he wanted to note the following.  
There are two separate matters to be considered in this sale. The first is a transfer of assets. If an asset represents fifty percent or more of the total assets, it requires a vote of the public. The second consideration is the disposal of surplus property under Health & Safety Code 32121.2. The property must be sold at fair market value. Any assessments of the property are not considered public information until the property is sold.

## **G. DISCUSSION/ACTION ITEMS**

President Tinker said items G2 and G3 would be considered prior to G1.

- G1. Proposal to Create and Adopt a District Fiscal Policy
- G2. Consideration and Adoption of Resolution No. 418 – Authorization to Dispose of District Surplus Property  
Legal Counsel said this Resolution formally authorizes the sale of surplus property. Four letters had been sent in January to the Fallbrook Elementary School District, Fallbrook High School District, Palomar College and the County of San Diego offering the old hospital building as surplus property. They had 60 days to respond and negative responses had been received from all four.

**Action:** It was moved by Director Salmon, seconded by Director Mroz, to approve Resolution 418 authorizing the sale of the District's surplus property.

Director Abbott said he can say with confidence that the building is surplus property, which is a separate discussion from what it should be used for in the future.

Roll Call Vote: Director Leach – Aye; Director Salmon – Aye; Director Abbott – Aye; Director Mroz – Aye and Director Tinker – Aye. Motion carried 5-0.

G3. Consideration and Adoption of Resolution No. 419 – Ratification/Approval of Purchase and Sale Agreement and Authorizing Signatories

Legal Counsel said this Resolution finalizes and memorializes the actions taken by the Board of Directors in their efforts to find a use for the old hospital building.

President Tinker asked each member of the board if they had any comments:

Director Leach said he had interest in serving on the FRHD Board due to his concern regarding the closure of the hospital. He noted his disappointment that much of the audience had already left the room. He said he knows the Board worked very hard to find a good use for the facility. He lives near the facility with his family and he has no fear of a Crestwood facility. He said he looks forward to moving on to new health & wellness programs that can be provided for this District.

Director Abbott said having been President of this Board when the hospital closed, he would have thought that that would have been the more difficult decision. He said he is struggling with this decision, and he thanks those who stayed to the end of the meeting. He said he has concerns that perhaps not all answers have been provided to the questions having been asked. He said the Board has been working very hard since being notified that Community Health Systems (CHS) would be shutting down services.

Director Mroz thanked those in the audience who stayed in the meeting. She said the members of the Board have always tried to do the right thing for the community. She said she believes there is a great need for mental health facilities.

Director Tinker said this has been a real struggle. The closure of the hospital was a huge loss for this community. He reiterated the history of the efforts made to keep a hospital in Fallbrook. Crestwood has a good track record and many questions have been answered. The need for behavioral health beds has been well documented.

**Action:** Director Salmon moved to approve Resolution 419, seconded by Director Mroz.

Roll Call vote: Director Leach – Aye; Director Salmon – Aye; Director Abbott - further discussion ensued due to concern expressed by Director Abbott that perhaps there is a need to provide additional answers. Motion failed.

**Action:** Director Abbott moved, Director Salmon seconded to postpone action on Resolution 419 to do further homework in answering questions having arose regarding the sale of the old hospital building. Roll Call Vote: Director Leach – Aye; Director Salmon – Aye; Director Abbott – Aye; Director Mroz – Aye and Director Tinker – Aye. Motion carried 5-0.

G4. CSDA Board of Directors 2017 Election

President Tinker said resumes had been submitted. Michael Mack is a Fallbrook resident having submitted his resume. President Tinker asked if anyone had any recommendations.

**Action:** Director Tinker moved that the FRHD Board of Directors vote for Michael Mack, seconded by Director Salmon. Motion carried 5-0.

**H. ITEMS FOR SUBSEQUENT MEETINGS**

- H1. Other Director/Staff discussion items
  - H1a. Consideration of the Proposed Budget
  - H1b. Announcements of upcoming events:
    - Healthy You! Healthy Communities! – Thursday, July 13, 2017, California Endowment, Sacramento
    - Community Collaborative for Health & Wellness Committee (CCH&W) meeting – Monday, July 17, 2017, 9:00-10:30am, Fallbrook Public Utility District Board Room
    - NCCCHI meeting – 1<sup>st</sup> Wednesday, August 2, 2:00-3:00pm
    - Woman of Wellness – Thursday, August 3, 2017, 6pm – Fallbrook Library
    - ACHD 65th Annual Meeting – September 12-14, 2017, San Diego
- H2. Next Regular Board meeting – Wednesday, August 9, 2017, Fallbrook Public Utility District Board Room

**I. ADJOURNMENT**

The meeting was adjourned at 8:35 p.m. to either an adjourned meeting within one week properly noticed, or a special meeting properly noticed to consider the following two items not yet addressed on the agenda:

- G1. Proposal to Create and Adopt a District Fiscal Policy
- G3. Consideration and Adoption of Resolution No. 419 – Ratification/Approval of Purchase and Sale Agreement and Authorizing Signatories

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Gordon Tinker, President

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Stephen Abbott, Secretary





## SPECIAL BOARD MEETING

Friday, July 28, 2017, 6:00 p.m.

Fallbrook Public Utilities District, 990 E. Mission Rd., Fallbrook

### Minutes

#### A. CALL MEETING TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE

President Tinker called the meeting to order at 6:03 p.m. and led the Pledge of Allegiance.

#### B. BOARD MEMBER AND PUBLIC COMMENTS

President Tinker said since there were so many people wanting to address the Board, while five minutes is allotted, if possible please limit the remarks to three minutes. He also cautioned that since there will be differing opinions expressed, please be courteous to all.

Betty Locke said she sincerely objects to Crestwood. She said the community needs a hospital. She doesn't want people imported here for mental health services.

Jim Sciarra thanked the Board for the opportunity to provide comments. He said they selected Fallbrook in part due to the hospital being here. We are a community of volunteers. What has been proposed to meet the medical needs of our community? He still considers the building a valued asset. He wants a vote to go to the public. Crestwood is a for profit company. He wants medical facilities in our community.

Hollis Moyses commended the Board for their hard work in the last few years in securing a use for the property, for which maintenance is costing upward to a quarter of a million dollars each year. He said he believes the Board has done an excellent job of finding a successor to the hospital. Seismic requirements preclude the building's use in that capacity in the future. He supports the District's Community Health Contract program providing funding to non-profit organizations which in turn provide much needed services in our community. He again thanked the Board of Directors.

Peter Klein thanked the Board for allowing him to speak. He named patients with felony arrests treated in Crestwood facilities in California and said Patricia Blum had said no one with a violent felony conviction would be treated at the Fallbrook Crestwood facility. He questioned the answers provided by Crestwood representative Patricia Blum, Ph.D. to multiple questions asked by the opposition to Crestwood as well as some of the answers provided by Legal Counsel Blaise Jackson.

Lynette Boyd said she has lived in Fallbrook more than 70 years. She said she believes Fallbrook can sustain a hospital. She expressed concern that the children in Fallbrook need protection. She doesn't want imported danger. She said she is concerned that property values will diminish. She would like to see another facility go into the old hospital building.

Dr. Frank Winton said he served on the FRHD Board and knows how diligently the Board worked to find another operator for the hospital. He recognizes that the loss of the hospital was huge for this community. He said he believes the fear of the patients who would be treated here is overstated. He said he supports that the old building be used as a place of healing and Crestwood would provide that service.

Tracey Schwandt thanked the Board for the Special meeting. She presented two seedling oak trees, one named Hope, the other Harmony. She shared an image of two paths. She asked the Board to please reconsider the action of selling the old hospital to Crestwood. She wants a vote for the public. Bruce Schwandt said the members of the Board will decide whether to sell the old hospital building, or put the decision to a vote. Officials are elected to act in the best interests of the people voting them in to office. The culture, safety, and prosperity of Fallbrook will change dramatically if this sale goes

through. He questioned the impact on property values. He believes a better path to the decision of the sale is a public vote. He offered to work with the Board to find a better use for the building.

Maryann Hobbs said she believes the close of escrow can be delayed and the Board can choose to take this matter to a public vote. A sale is permanent. Leasing the property to Crestwood gives us an ongoing discussion and doesn't dispose of the asset. She believes there was lack of due diligence in the process of coming to the decision to sell to Crestwood.

Brian Hobbs said the path forward should be to cancel this transaction and pay the damages. He wants a special committee of residents and board members to look into this matter further. He mentioned due diligence, transparency and vetting providing definitions of each word. He questioned the actions of the Board in signing the Sale & Purchase Agreement with Crestwood. He said while a public vote is not mandated, he believes it is the right thing to do.

Morgan Cadmus said we are all neighbors and it is important to have an understanding of this important transaction. He said he understands Fallbrook cannot currently sustain a hospital. He said he oversees a residential care facility for seniors directly across from the old hospital and has concern for their safety. There are many other services Fallbrook needs. He asked the Board to extend the negotiations for the sale of the old hospital.

Jim Greeley said he is a 25 year resident of Fallbrook and what compelled him to attend this meeting was the confusion and fear expressed in the paper as it relates to mental health rehabilitation. He said the jobs being offered are an opportunity for young people in our community. He endorses the Crestwood facility.

Jerry Hanson said he is a businessman in town. He said he believes a vote of the public is warranted in this matter. He said he sees no economic benefit for Fallbrook with Crestwood coming into town. He believes Crestwood would bring more traffic, more possible crimes and a bad situation for the community. He said he is not fearful, he is concerned. We are not insensitive to the needs of the mentally ill. He is concerned Fallbrook is not a proper location, in part due to inadequate police coverage.

Paul Garrett is a big fan of Fallbrook and understands the hospital is not sustainable. He said he would like to see the old hospital building used for meeting other medical needs in the community.

Roy Moosa said he has been involved with the District since the entire process of closing the hospital. He said he saw the offers made and the disappointment when not coming to fruition. He currently serves on the Advisory Committee. He knows the members of the Board and how dedicated they are to serving this community in the best way possible. He has full confidence in the amount of homework this Board has done and stands with them in their decision.

Adam Foster said he became concerned about this matter after looking at Facebook and Friends of Fallbrook. He said he had difficulty obtaining answers to his questions and had e-mailed Patricia Blum with no response from her. He wants the matter put to a public vote.

Scott Atkins said he grew up in Fallbrook and then lived in Sacramento. He lived next to a Crestwood facility for 24 years and there were no issues in all that time. He moved back to Fallbrook 5 years ago and says the facility can be run properly.

Vicky Bartlett said she feels it is unfair to characterize the opponents to the Crestwood facility as fearful. She said her mother lives across from where the facility is located. Do we have an adequate police force? She has concerns, unsure Fallbrook is the place for Crestwood.

Eddie Valencia said he lives next to the old hospital. He said the Board does a great job. He thinks the facility can be used for a better purpose than a mental health rehab facility. Do the right thing for the community.

Vi Dupre said she has lived here for 12 years. She has worked in health care for 52 years. Having served as Administrator of the Fallbrook Healthcare District, she has seen firsthand how hard the members of the Board have worked during and since the closure of the hospital. They are honorable people. Mental health services are a huge need everywhere. The people seeking treatment are less to be feared than the 37 pedophiles living in the area with no treatment. She thanked the Board members for their diligence and work for this community.

Mark Stevens said he lives near the old hospital and has concern about his property value decreasing and the safety of the community. He requested a vote of the people.



Carol Hanson said she believes we all appreciate the efforts made by the Board to find a buyer for the old hospital. She said she would like to see the old hospital used for a different purpose. She has concern about safety and the lack of a hospital.

Vince Ross said he has followed the extreme challenges this Board has dealt with. He said the Board is very competent and he and the Board want the best for Fallbrook. He expressed his appreciation to the Board.

Brandi Morann said she is new to Fallbrook and loves living here. She said she has a medical background and also worked in real estate. She said her concern has to do with Crestwood affecting the reputation of Fallbrook, and thereby concern that her property will decrease in value.

Jennifer Jeffries said the best predictor of future behavior is past behavior. She said she has observed this Board through all times and she has no reason to doubt the Board. She said the decision will be principled and right for this town.

Scott Denton thanked the Board for the courtesy to speak. He said there have been mental health issues in his family and he has visited many facilities. He expressed concern for community safety.

Linda Johnson said she would prefer that the old hospital be used for medical services in the community. It should be controlled by the community, and used for the community. Believes a vote is in order. What will the proceeds of the sale of hospital be used for, and will the public have a say.

What is the purpose of the District without a hospital?

Barry Meadow said a lot of effort has gone into the sale of the old hospital building. He said Crestwood will not be a hospital for the mentally insane. Why all the questions about escapes and police. It will not be a criminal facility. The man who lived next to a Crestwood facility impressed him most. They experienced no problems.

Jeanne Meadow thanked everyone who has put effort into learning about Crestwood. She said she did not appreciate the derogatory comments about the Board. We need to come together for the good of Fallbrook in many ways. There is lots of work to do in Fallbrook.

Tracy Campbell said she is not afraid of mental illness. She is afraid of pedophiles and rapists who will be housed at Crestwood.

Dee Lanzello has been in Fallbrook for 35 years. She said she doesn't have fear, she has concern. Lots of people have worked very hard to make Fallbrook the great place it is. Many have invested money into the community. She is concerned about the value of what she has invested in for many years. She doesn't believe Crestwood is the right thing for Fallbrook.

President Tinker called for a break at 8:17 p.m.

The meeting reconvened at 8:27 p.m.

President Tinker said he would provide time for members of the Board to provide their input into the matter of the sale of the old hospital building.

Director Leach stated that he heard confusion and misunderstanding as relates to the hospital building. He said he knows there are many people with nostalgic ties to the facility where their children were born and the loss of the hospital services is significant to the community. He said he has learned that operating the building as a hospital is no longer sustainable. While there had been many entities expressing interest in the building, for a variety of reasons not one offer came to fruition. The building is currently empty, is a magnet for crime and costing more than \$20,000 per month for maintenance. In a survey of major health disparities in our community, mental health was one of those identified, long before Crestwood expressed interest. He said he lives near the vicinity of the proposed Crestwood facility, has two daughters, and does not believe the facility poses any risks to the community. He said there is a difference between concern and fearmongering and he believes fearmongering is what has been happening on social media and in advertisements designed to incite fear. He believes there is no correlation between Crestwood and bringing pedophiles, sex predators and violent criminals into Fallbrook. This would be a mental rehabilitation facility, not a hospital for the criminally insane. While there is no guarantee that all employees will be from the District, jobs will be available. He suggested that proceeds from the sale will help to contribute to the Community Health Contracts process and he

invited the community to participate to determine ways in which the proceeds can provide health services in our District.

Director Salmon said this has been a difficult, challenging decision for this Board. He said three years ago he was aware the hospital was having trouble and believed he might be able to provide help to keep the hospital operating since he has worked in healthcare all of his life. By the time he was seated on the Board, the hospital was closed. He said he learned the members of this Board are very dedicated and talented, and also learned the valid reasons the hospital closed. He said his five major concerns regarding the sale of the old hospital building included safety, real estate values, the allocation of beds, does Crestwood benefit the District and lastly would the facility be of service to those in need. He said the track record of Crestwood has been very good. He discussed the type of patients Crestwood would serve. He said he and Director Mroz visited a Crestwood facility in San Diego and observed that it is next to a high school, a nursing home and across the street is a church. He was impressed with his tour of the facility. Crestwood is accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF). He read the impressive results of a recent Crestwood survey. He believes Crestwood would be an asset to Fallbrook.

Director Abbott said he and his wife visited several Crestwood facilities. Two of the three tours were provided by patients/residents in the facilities. Schools, pre-schools were located nearby. Regarding AWOLs, Crestwood Risk Management reported that out of all patients considered AWOL, there was only one bad outcome: the patient committed suicide. There was no risk to community residents. He said he was surprised at the last regular meeting of the Board when most of the audience left prior to the decision on the agenda regarding the sale to Crestwood. The easiest decision for the Board would have been to pass the resolution at that meeting. However, at that point, the decision was secondary. What was most concerning to him was the public confidence. He said he questioned if the Board might have missed something. That is why the Board took action to postpone a decision. He discussed several possible scenarios, noting that no matter what decision is made, there will be division in the community. Based on the CARF Accreditation, Crestwood is a top performer in the mental healthcare arena. He said he is concerned that many in the audience are still really concerned about the process. That is a piece he is still trying to reconcile.

Director Mroz likened this decision to hearing the diagnosis of cancer for her husband. She said while there were no guarantees, there was a lot of homework to be done, the medical team was competent and they were confident if they did the right things there would be a good outcome. She said cancer is a frightening word, litigation is a frightening word and mental illness is too. She said she is amazed by the people in this community and wants to work with them for a good outcome regarding Crestwood. She knows the Board has worked diligently in this matter. She feels positive that selling the old hospital to Crestwood is a good decision. She thanked everyone for sharing their thoughts and concerns and being a part of the process.

Director Tinker said he and his wife have lived here for 42 years. He served in various capacities serving this town for 32 years. The last thing he would do would be to risk the public safety of this community. The feedback from police departments in communities with Crestwood facilities have no issues with Crestwood and deem them to be a good community partners. He thanked Stephen and Howard for the delay in making the decision as he has learned even more about Crestwood during the past two weeks and it is all positive. The difference between mental health hospitals and mental rehabilitation facilities is clear. 5150 patients are taken to acute care or mental health hospitals. He said he spoke with the owners of Silvergate Residence and they welcome the Crestwood facility. Regarding the future of Fallbrook Regional Health District, he noted there is more to healthcare than what happens in hospitals. Wellness programs, preventing the preventable, the possibility of a Wellness Center (not a gym) and other health programs are all in consideration. The non-profit organizations we support use volunteers and there is "bang for buck" in providing the many services they provide. He provided examples of the services provided. The future of our health district is making a healthier community.

**C. DISCUSSION/ACTION ITEMS****C1. Consideration and Adoption of Resolution No. 419 – Ratification/Approval of Purchase and Sale Agreement and Authorizing Signatories**

**Action:** On motion duly made by Director Leach, seconded by Director Mroz, the Board approved and adopted Resolution No. 419 ratifying the purchase and sale agreement and amendment thereto with respect to the sale of real property and authorizing signatories in connection therewith by the following roll call vote:

Director Abbott commented that at the regular meeting this month he had moved to delay action on this item in order to assure due diligence and answer any lingering questions regarding Crestwood facilities. He said with the closure of the hospital, other communities bore the health care burden for Fallbrook. The health care system extends beyond our borders, and with Crestwood we would have patients from other communities. There are still no contracts from counties, just commitments until Crestwood is licensed. The County Grand Jury recognized the need for mental health services. Director Abbott said we would not be at this decision point if there were other options. It's likely the next best option would be an auction, with no control over the situation. He said the right thing takes a lot of forms. Leadership is doing what you feel is right is based on the best information available to you at the time. It's not the easy or most popular thing. It's the right thing. He said his action last month was based on emotion, this month on reason and logic and feedback.

Director Leach – Aye  
 Director Salmon – Aye  
 Director Mroz – Aye  
 Director Tinker – Aye  
 Director Abbott – Aye  
 Motion carried 5-0.

**C2. Proposal to Create and Adopt a District Fiscal Policy**

President Tinker read the policy which set up two funds: Community Investment Fund and Operations Fund.

Legal Counsel recommended postponing action on this policy to the next meeting when it is brought back in a more correct and proper form.

**Action:** It was moved by Director Salmon, seconded by Director Leach to postpone action on this item to the next meeting. Motion carried 5-0.

**E. ADJOURNMENT**

There being no further business, the meeting was adjourned at 9:30 p.m.

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Gordon Tinker, President

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Stephen Abbott, Secretary

## **REPORTS**

## **REPORTS**

Executive Director – Bobbi Palmer

To: Board of Directors  
Fallbrook Regional Health District  
From: Bobbi Palmer, MBA, MSW  
Executive Director  
Re: Monthly Report  
Date: August 3, 2017

### Community Health

9 RN students completed their summer internship in the FRHD resident area which included 5 Bonsall High Students. We are anticipating 27 student interns from the University of California School of San Marcos for the fall semester. I will continue to provide updates regarding how impactful health education, screenings and community health is delivered.

### Women of Wellness; WOW

WOW featured presentation: "Mini Wellness Fair" presented multiple providers from the Fallbrook Wellness Directory. This event was well attended and averaged about 50 participants with 14 presenters. These monthly events are held at Fallbrook Public Library.

### Student Intern from Fallbrook High School is assisting FRHD with establishing a Youth Council – See picture attached

'The Institute for Local Government (ILG) which promotes good government at the Local level says, Community engagement, input and leadership are critical to ensuring that planning, programming and policies will best meet community needs and encourage equitable outcomes. Youth engagement that is well-integrated into public decision making can have a powerful and lasting impact for not only for the youth participants but for the entire community.'

As part of the **First Wellness Summit 2017 Healthy You: Healthy Community!**  
Sponsored by The Association of California Healthcare Districts (ACHD), Fallbrook  
Regional Health District participated as a “Bright Spot” – see attached document





Health Promotion Intervention Project  
Greg Asnon, Daniel Gonzalez, Griffin St. Hilaire, Kathryn  
McGregor  
Nursing 440  
California State University San Marcos

## **Introduction**

Fallbrook is a small rural community located in north San Diego County. It stretches over 127 acres and is home to approximately 50,000 people (Fallbrook Chamber of Commerce, 2017). The community is made up of a large high income community, a large low income community, and a much smaller middle class community. In 1950, the members of the community voted to build and operate the 20 bed Fallbrook Hospital, which officially opened in 1960. In 1971, it was expanded to a 47 bed capacity. By November 1998, due to the rising costs of medical care, management of the hospital was leased to Community Health Systems. In November of 2014, the hospital closed its doors to the public but the building remains, and the Fallbrook Healthcare District has since been working to find a buyer for the space. As of May 2017, the Fallbrook Health District board voted to sell the building to Crestwood Behavioral Health inc. to create a Fallbrook Healing Center, a 100 bed treatment center for those suffering from mental illness. Since the sale, there has been much push-back from the community stating reasons such as fear and endangerment. The goal of the intervention is to first understand the point of view of the Fallbrook community concerning the Healing Center and to then educate the community on the reality and prevalence of mental illness as well as provide accurate information concerning the details of the facility (Fallbrook Regional Health District, 2017).

## **Background and Significance**

From ancient times and to a certain degree now, mental disturbances have been extremely difficult to define, understand, and treat. Thousands of years ago, around the world, people attempted to define the cause for these mental disturbances. Evil spirits, sinning, disequilibrium of humors, and witchcraft were all rational causes for mental illness at some point in time. The treatment of these individuals was even more expansive than their said causes.

This included exorcism, beatings, starvation, incarceration, bloodletting, and even desertion upon a ship with no direction. In the United States, one of the greatest movements toward the legitimate care of the mentally ill was the establishment of the National Mental Health Act of 1946, that worked by granting states money for mental health specific health programs (Townsend, 2015).

Through trial and error, the movement of mental illness care in the United States is towards deinstitutionalization. The logic behind this is due to the fact that “care for the client in the hospital has become cost prohibitive, whereas care for the client in the community is cost effective” (Townsend, 2015). This has led outpatient care facilities to not just be the wave of the future, but also a necessity for today (Townsend, 2015). Crestwood Health Facility would embrace these ideas as shown with their goal to improve health that incorporates “evidence based practice, behavior intervention, vocational employment, and prevocational training,” in order to assist their clients to “get better and return to productive lives” (Crestwood Behavioral Health, 2017).

Despite this, the community of Fallbrook has been extremely vocal about their unwillingness to instill a mental health facility in their own backyard. From designated Facebook pages against the project to the severe disruption of Town Hall meetings to the point of cancellation, Fallbrook has shown their insensitivity and unwillingness to discover awareness on the subject matter. Interestingly, a study on the epidemiology of mental health showed 15% of the population of each Los Angeles County, Riverside, San Bernadino County, and San Diego County have needed help for mental health in the past year (Brown, 2013). On top of this, San Bernadino County was also ranked to have worse than expected mental health care programs indicating a definite need for improvement (Brown, 2013). According to Townsend (2015), “we must serve the consumer by providing the essential services to assist with health promotion or prevention, to initiate early

intervention, ensure rehabilitation, and prevent long term disability” (Townsend, 2015).

### **Healthy People 2020 Objectives**

Proposed education intervention satisfies the Healthy People 2020 objectives by means of attempting to “improve mental health through prevention and by ensuring access to appropriate, quality mental health services” (Healthy People 2020, 2017). Precisely, it promotes the objective of Treatment Expansion under MHMD-5 and MHMD-9. This includes implementation of additional facilities that provide mental health treatment and increasing the number of adults to receive treatment for mental illness, respectively. This has been a critical component due to the aforementioned mental health facility that is facing challenges in attempting to seamlessly integrate into the Fallbrook community.

According to Healthy People 2020 (2017), “Neuropsychiatric disorders are the leading cause of disability in the U.S.,” and the resulting burden is “among the highest of all diseases”. In sum, overall aim of the intervention is to promote the expansion of treatment through integration of a reputable facility that will promote a constructive life despite the diagnosis of a mental illness.

### **Needs Assessment**

According to data from the San Diego County Health and Human Service Agency, Fallbrook is a community of 48,427 inhabitants. The race/ethnicity makeup of Fallbrook is 55% white, 38% Hispanic, 1% African American, 2% Asian and 2% other. The median household income is about \$66,000 per year with an average of 2.68 individuals per household. About 16% of the population has not graduated high school, about 21% have graduated high school, and about 18% have a bachelor’s degree.

Approximately 83% of the population has health care coverage, while about 17% of the population does not (San Diego County Health and Human Services Agency, 2015).

A windshield survey reveals that there is a large level of wealth disparity in Fallbrook. There are many very nice houses in Fallbrook, while at the same time, there are areas

with much smaller and more run down houses. Off of the main roads, there are dwellings that are made of small dilapidated trailers and sheds. The bigger houses tend to be inhabited by white individuals while the smaller, more run down abodes tend to be inhabited by people of Hispanic ethnicity (Windshield Assessment, 2017).

The population in our health promotion intervention is the entirety of the Fallbrook community. Our assessment has consisted of surveys, receiving reports from community meetings, and reading posts on the Friends of Fallbrook Facebook page. We performed surveys outside of the Fallbrook public library as well as at community food distributions. Our results from surveys tended to be politically correct responses to the questions that we asked.

In terms of community meetings, Bobbi Palmer reported to us on the general atmosphere of the meeting. She reported that community members coming to the meeting were strongly opposed toward and vocal about the Crestwood facility (Palmer, 2017). Lastly, in terms of the Friends of Facebook page, we witnessed high levels of hostility toward the Crestwood facility. Please see appendix C for an example of a post on the Facebook page (Friends of Facebook, 2017). These sentiments about the Crestwood facility are expressed in the community despite the fact that mental health is a problem in Fallbrook. The Fallbrook Regional Health District obtained a report regarding health statistics in Fallbrook, and the report revealed 6.7% of the population has diagnosed depression, 11% has a diagnosed anxiety disorder, and 1.2% has diagnosed bipolar disorder (Fallbrook Regional Health District, 2017). Clearly, mental illness is something that affects the population of Fallbrook. With those statistics it is even likely that many people in Fallbrook may personally know someone with a diagnosed mental illness. However, the community is communicating that it is strongly opposed to having a mental health facility in Fallbrook where people with mental illness can get the treatment that they need.

## **Theoretical Framework**

The theoretical framework being used for this issue is Thomas Everett's diffusion of innovations framework.

Everett developed his framework based off his studies of farmers adopting the practice of using genetically modified seeds. Everett observed that there was a predictable process that occurred regarding a group of people adopting a new idea. He observed that new ideas tend to get adopted in stages and that different types of people tend to adopt ideas at different stages. The first group of people to adopt an idea is what Everett calls "innovators". These people tend to have higher social and economic status, tend to be connected with scientific knowledge, and be risk takers (Rogers, 2010). The next group of adopters is what Everett calls "early adopters". These people have higher social and economic status, tend to be well educated, and adopt new ideas fairly early, but do so more discreetly than "innovators" (Rogers, 2010). The next group Everett describes is the "early majority". These people tend to be somewhat high social and economic status, adopt new ideas, but do so significantly later than the "innovators" or the "early adopters" (Rogers, 2010). The next group is the "late adopters". These people tend to have below average social status and economic status and tend to adopt a new idea with a high degree of skepticism (Rogers, 2010). The last group that Everett describes is the "laggards". This group is last to adopt a new idea, tend to be older in age, and have social connections limited to family and close friends (Rogers, 2010). According to Everett, for a new idea to take hold it must make it to the "early majority" stage. If "early majority" can get on board with a new idea, there tends to be enough support behind the idea that the rest of society eventually comes around (Rogers, 2010). In our Fallbrook target population, it will be imperative to present the facts to innovators, early adopters, and early majority so that the idea can gain enough traction for the rest of the population to follow. Based on time limitations, our project has been limited mainly to gathering information about mental health opinions and giving out

educative flyers as well (see appendix B).

Recommendations for further community intervention would be to target members of the population who meet “innovators”, “early adopters” and “early majority” qualifications. This target population will be those who have received an education, who have a wide social group (not just close friends and family), and those of higher socioeconomic status.

### **Issues**

The Fallbrook community is a small but strong community. The barriers to providing our intervention are first, that our target population includes all of Fallbrook.

The intervention group needs to reach many different levels of the community in order for education to be effective. The second barrier is groupthink. Due to a high volume of social media and internet access, one negative statement regarding the Healing Center spreads like wildfire even if the statement is inaccurate. Fortunately, groupthink can also be seen as an asset. By using the Diffusion of Innovations Theory and identifying those within the community that understand mental illness and see the benefits of the Healing Center, they can be an asset to further educate and positively influence the community of Fallbrook. Another asset is the relationship the intervention group has within the community, allowing for access to diverse population subgroups within Fallbrook. Due to the collaboration between the intervention group, Fallbrook Library, Fallbrook Community Center, Fallbrook Healthcare District, Fallbrook Health Clinic, and the Fallbrook Food Pantry, it gives an educational opportunity to several different subpopulations of Fallbrook.

The crucial resource the population needs in order to accept and participate in the chosen intervention is access, and an open mind to education on mental health.

Education is completely free, but it is a matter of availability and willingness to listen, comprehend, and accept a truth that may oppose their own opinion.

Continued intervention is needed to further influence and

reinforce positive, accurate mental health information.

### **Intervention**

The intervention began by giving the participant a survey inquiring about their opinions on mental health. It included five questions as well as demographic data zip code, age range, and gender (see Appendix A). Questions asked opinions regarding the effect of mental health on society, the perceived fear of those with a mental illness, personal prevalence of mental illness, and thoughts on treatment. After the survey was complete, the intervention group then distributed a flyer regarding the myths of mental illness (see Appendix B) and educated the participant on key points such as safety and prevalence. This educational intervention utilized visual spatial, verbal, and social learning styles. The flyer was colorful and neatly organized providing an educational piece the participant could keep and refer back to. Information was read through, reiterated, and clarified with a member of the intervention team verbally and could be discussed as a group if the participant desired.

This intervention addressed the Healthy People 2020 initiative of “improve mental health through prevention and by ensuring access to appropriate, quality mental health services” (Healthy People 2020, 2017). By educating the population of Fallbrook on the prevalence and reality of those suffering from mental health, it allows acceptance to the Healing Center in Fallbrook. The hope is that this acceptance leads to further access to quality mental health services for more people.

### **Project Evaluation**

The first objective of the project was to understand the perceptions and attitudes of the Fallbrook community regarding mental illness and the Healing Center. In order to accomplish this, we conducted 25 surveys, handed out educational flyers, and monitored the Friends of Fallbrook Facebook page for community posts related to the Healing Center. Secondly, the project aimed at educating the public on the prevalence of mental illness as well as providing



accurate information about the details of the new mental health facility. Success of the intervention was measured on how receptive the community was to taking the survey, whether or not attitudes changed regarding mental health and receptiveness of the community to having a mental health facility in Fallbrook. In order to measure short-term goals, more surveys would need to be conducted throughout the community in person and online in order to obtain a larger sample size. In addition, more information in the form of flyers, social media, and meet-ups would need to be provided to further educate the community.

Long-term goals were to increase awareness of mental health outside of the Fallbrook community so that more people would be compassionate towards those suffering from mental illness. By increasing awareness and acceptance of mental illness in the Fallbrook community, we hoped to impact neighboring communities and society as a whole. In order to measure long-term goals, society's perceptions and attitudes regarding mental illness would need to be evaluated, and education provided. By changing the perceptions of the residents living in Fallbrook, we hoped the community could be an example to other communities on the positive impact that can be made by welcoming a mental health facility into one's community.

## **Results**

Out of the 25 surveys conducted, 14 were English-speaking, and 11 were Spanish-speaking. In response to whether or not placing a mental facility in the community downgraded the neighborhood, a majority of the people surveyed disagreed or strongly disagreed. When asked if it were frightening to think of people with mental problems living in residential neighborhoods, most either disagreed or strongly disagreed. The majority agreed or strongly agreed that treatment for those with mental illness was effective, and when asked if those with mental illness are a burden on society, most either disagreed or strongly disagreed. The one discrepancy between the English-speaking surveys and the Spanish-speaking surveys was the

prevalence of those who suffered from or knew someone who suffered from a mental illness. When asked this question, 79% who were English-speaking responded yes, while only 18% responded yes who were Spanish-speaking. If conducting post-surveys in the future, the goal would be to change perceptions of the community through education so that a majority of population would be accepting towards those suffering from mental illness and welcoming the implementation of the Healing Center.

## **Conclusion**

From the surveys conducted and interactions within the community, it is clear that people are open to helping those suffering from mental illness, but there is still large portion of the community that strongly opposes the idea of having a mental health facility in Fallbrook. In order to obtain a larger sample size, more surveys would need to be conducted face-to-face, via mail, and online. One downside to face-to-face interviews we noticed was potentially biased answers from those taking the survey due to the survey being read to them, or having to fill out the survey out and turn in in directly to us. Administering surveys via mail or online would provide residents of Fallbrook to conduct surveys anonymously in private in hopes of generating a larger, unbiased, sample size.

Furthermore, a majority of opposition to the Healing Center was evident on the “Friends of Fallbrook” Facebook page, suggesting online surveys and education by means of social media would be an effective intervention for future research. If we were to improve on our educational interventions, we would conduct meet up groups throughout the community to provide an opportunity to residents to voice their doubts and concerns. This would also provide advocates of the Healing Center to determine the exact reasons for opposition from the community, and provide education. Small changes within a community can have dramatic impacts on society, and we hoped to accomplish this by working towards changing mental health perceptions and attitudes of the Fallbrook

community.

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## Appendix A

Zip Code: \_\_\_\_\_

Age (Circle One):

18-25                      26-35                      36-45                      46-55  
                            56-65                      66-75                      75+

Sex (Circle One):

Male                      Female

1.        Have you or anyone you know been diagnosed  
with a mental illness?

Yes                      No

2.        Placing mental health facilities in a residential area  
downgrades the neighborhood

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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3. It is frightening to think of people with mental problems living in residential neighborhoods

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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4. Treatment for those with mental illness is effective.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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5. People with mental illness are a burden on society

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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## Appendix B

# MENTAL HEALTH MYTHS AND FACTS

**MYTH:** People with mental illnesses are violent

**FACT:** The majority of people with a mental illness are not likely to be more violent than anyone else. In fact, they are more likely to be victims of violent crimes than the general population.

**MYTH:** Mental Illness is a character flaw or personal weakness

**FACT:** Mental Illness has nothing to do with being lazy or weak. Some facts that contribute to the illness are biological factors (genes, physical illness such as thyroid, anemia, brain injury and brain chemistry), life experiences such as trauma or history of abuse and family history of mental health issues.

**MYTH:** People with mental illness can never heal nor get better

**FACT:** With help and support, people with mental illness can heal and recover.

**MYTH:** It's alright to use the words "crazy", "nut job", "weirdo", it's no big deal

**FACT:** Using those words are mean and hurtful and can make a mental illness worse and/or lead to depression or suicide thoughts.

**MYTH:** Mental illness is rare

**FACT:** Mental illness is more common than AIDS, cancer, diabetes and heart disease.

# Appendix C

day also on lane 10 hehe.



**Tracey Poston Schwandt** Friends of Fallbrook

Yesterday at 7:42 PM

Citizens of Fallbrook, We need you!  
like and share share share!

21

6 Comments





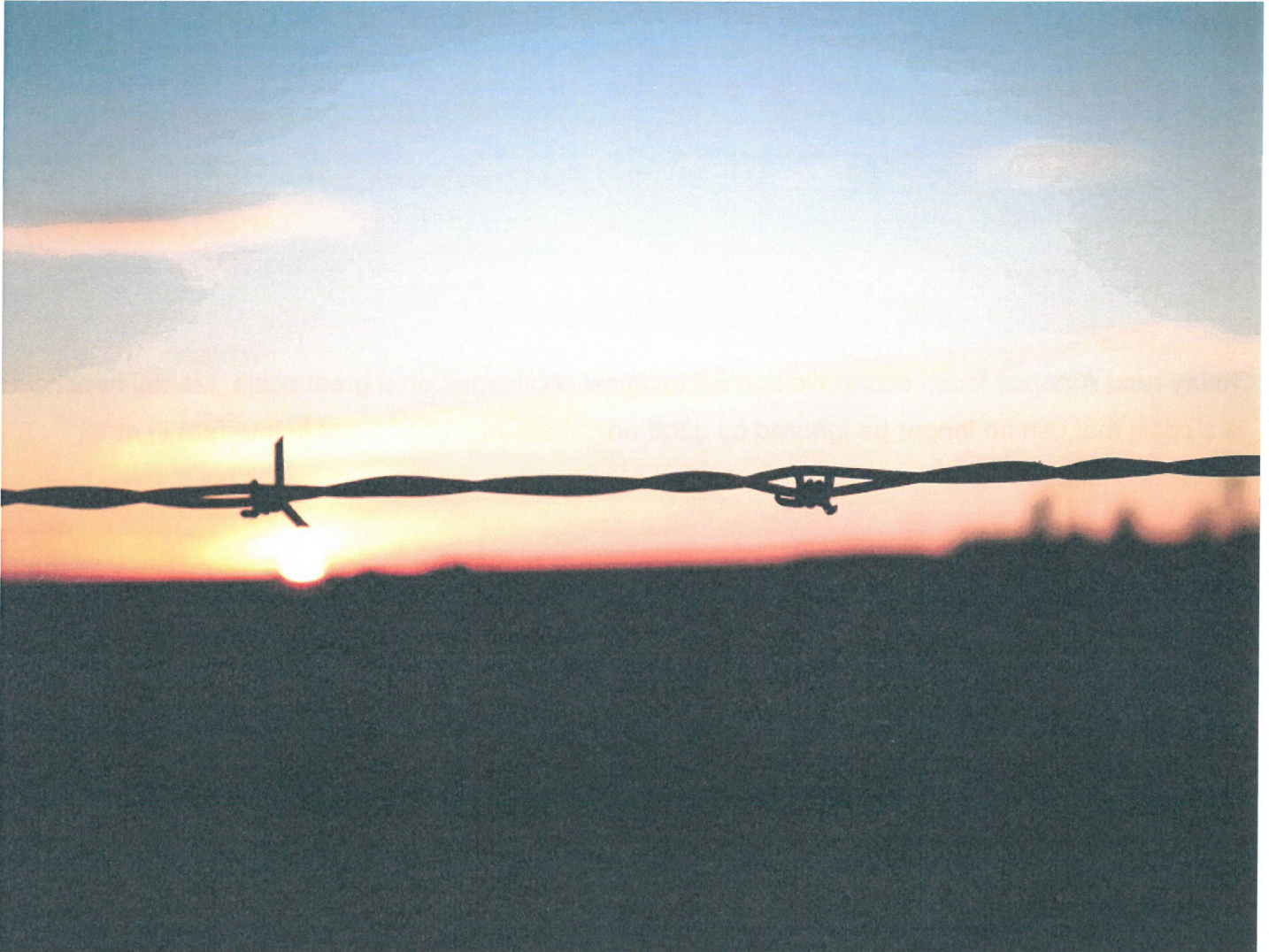
[http://www.hpj.com/ag\\_news/mental-health-the-next-farm-crisis-in-rural-america/article\\_b57c43a9-07d5-5bf5-a478-753154924773.html](http://www.hpj.com/ag_news/mental-health-the-next-farm-crisis-in-rural-america/article_b57c43a9-07d5-5bf5-a478-753154924773.html)

EDITOR'S PICK

TOP STORY

## Mental health: The next farm crisis in rural America

By Jennifer M. Latzke May 8, 2017



Journal photo by Jennifer M. Latzke.

One in five residents of nonmetropolitan counties in the United States had some sort of mental illness in 2015.

That's according to the Substance Abuse and Mental Health Administration. More than 6 million people in the United States—our friends, neighbors and family members in our own communities—needed some form of mental help last year. The same data showed in non-metro areas, 1.4 million



people experienced serious thoughts of suicide in 2015.

And that was when the farm economy wasn't so bad.

Today rural America faces economic and sociological challenges on a great scale. Mental healthcare is a crisis that can no longer be ignored by good neighbors who don't want to interfere in other people's business.

Ric Dalke is the executive director of both the Compass Behavioral Health in Garden City, and the Iroquois Center for Human Development in Greensburg, Kansas. Tabitha Marksi is the clinical director of the Iroquois Center, which has a management agreement with Compass. Compass serves 13 counties in southwest Kansas, while the Iroquois Center serves another four counties.

Dalke and Marski said mental health care in rural America is a complex issue with three core challenges: accessibility, availability and acceptability of treatment.

### **Accessibility**

More than 60 percent of rural Americans live in mental health professional shortage areas, with about 65 percent getting their mental health care from their primary care physician, according to the Western Interstate Commission for Higher Education's Mental Health Program.

Dalke said Compass works to build relationships with physicians in their service area. He said it's understandable people go to their trusted physicians with their problems. But, when patients are in need of further help, they work with their partners in clinics and offices around their service area to offer it.

One challenge to serving patients' needs where they are most comfortable is insurance companies, Dalke said. For example, if a patient comes into Compass for care, staff can use a specific insurance billing code. But, if a Compass therapist were to go to a doctor's clinic and help a patient in that setting, then that would be an entirely different billing code and might not even be covered by some insurance companies. Worse, some rural patients' health insurance might not even cover mental health services.

"We need more providers," Marski said. "We have a limited amount of providers and most don't want to move here." While Iroquois has satellite offices in each of the counties it services, there remains a need for more psychiatrists and therapists to staff them.

Compass and the Iroquois Center both work with their contacts in local communities to match residents with mental health care providers. Often the first agencies to identify a need are the local law enforcement—who respond to the harmful aspects of mental health concerns—or the local school counselors—who see families and students struggling with mental health disorders. Pastors and even Extension agents are also referral contacts, often having weekly or monthly access to individuals and can see changes in behavior that others might miss, or are trusted neighbors who people feel comfortable confiding in.

Still, beyond access is the struggle of availability of specialized care, Dalke said.

## **Availability**

"If someone needs a child psychiatrist, for example, they're pretty prevalent in urban areas, but not here," he said. The WICHE reports that more than 90 percent of all psychologists and psychiatrists work exclusively in metropolitan areas.

"We have a great need for autism specialist in our rural areas," Marski said. "Especially a need for individuals who are trained to evaluate and diagnose and then treat those with autism." Other specialties needed include child psychiatrists, eating disorder specialists and drug and alcohol abuse counselors.

It's tough to recruit psychiatric prescribing staff to live in rural areas, so Compass has gone to more telepsychiatry—or using computers and tablets to connect therapists in cities with rural patients over the internet. Fortunately, technology has advanced enough that telepsychiatry isn't challenged so much by access, but rather the comfort levels of patients speaking to a therapist on a screen rather

than in person, he added. Yet even though that's the only way many in rural America can receive specialized mental health care, some insurance companies won't cover that service today, Dalke said.

"We have a child psychiatrist who works out of Olathe that we can use for a half of a day each week, so it's still a limited supply," Dalke said. But, for some clients, even a little bit of online help, whether or not it's covered by their insurance, is better than traveling long distances to in person appointments each week. Or worse, no help at all.

The mental health challenges in rural America today can run the gamut, from trauma to depression, and from eating disorders to drug and alcohol addiction. Dalke said he's seen a rise in recent years of opioid addiction in southwest Kansas.

Opioid addiction, including heroin and prescription drug misuse, was identified by the U.S. Department of Agriculture last fall as a growing epidemic in rural America. According to the USDA, opioid addiction played a role in more than 28,000 deaths in 2014. Rural communities are hit harder by this epidemic because of the lack of treatment resources available in remote communities.

"We have a Suboxone treatment program that we run out of our Greensburg and Garden City offices," Dalke said. "We have doctors that are trained in using Suboxone as an alternative to opioid addictions." Even though Suboxone doesn't require a patient to attend the clinic every day for a dose, unlike methadone, it still requires a prescription from a doctor. That means patients in one of the 13 counties that Compass covers need to first accept they need treatment. Then, they need to make arrangements to travel to one of the two clinics that may be up to an hour away from their home, just to get a prescription to help them recover from their addiction. And they may need to repeat the process several times over the course of months to fully recover.

Dalke said Compass also uses traveling therapists and counselors to serve patients' needs closer to their homes when possible. Because rural communities have fewer resources available than urban communities, Dalke said it's critical that organizations like Compass use community partnerships with physicians, school counselors, law enforcement agencies and others. Together they can help neighbors find mental health care that fits their needs.

## **Acceptability**

If there's one thing that rural America has, it's an independent spirit, Dalke said.

“One of the biggest challenges we face is that there is still a stigma, especially in our country,” Dalke said. “Producers are independent, the type who say ‘we’ll do it ourselves and we’ll manage.’” While that attitude helps in running a farm or ranch, it doesn’t transfer to decisions about mental health care.

A farmer could plant and harvest crops without a crop consultant, but many use these specialists to help them manage their crops. It’s widely accepted agribusinesses use consultants and experts to help in managing large and small operations. And yet, when it comes to mental health, perhaps the biggest challenge to an agribusiness’s success and a family’s well-being, is that many will try to go it alone, Dalke said.

“We also see a lot of depression, and in fact I’d say the rates of depression have risen over the last 10 to 20 years,” he added. Depression can come on from a trauma, like a natural disaster or a workplace accident. It can also be tied to a decline in physical health or problems with family or businesses. The rural population is aging and facing its own mental health issues that range from family concerns about who will take over the farm to declining commodity prices and rising debt.

And even if a rural neighbor were to come to terms with their need to reach out for help, they would then face the obstacles of availability and accessibility of that help.

It can be a cycle that causes people to give up on ever finding care. It can also be daunting if you’re a neighbor or loved one who sees a friend or family member struggling and in need of help.

“It’s the \$64,000 question,” Marski said. “How do we get people to use our services? The services are out there and we can make them available. But we can’t force them on people. Unfortunately, the stigma is still there.

“Sometimes people don’t want to seek help because they are afraid someone will find out,” she added. “They fear that they’ll look like they can’t take care of things on their own, or that they’ll appear unstable. And it doesn’t always mean any of that. Sometimes it just means they’re tired of figuring out things on their own.”

Marski said the signs of someone struggling take many forms. Some people may lose interest in taking care of livestock and farm chores to the degree that they used to. Others may avoid public situations like church services, social outings, coffee at the café or others. Some neighbors may act out with destructive behaviors like drug and alcohol abuse or violence.

“Any time we see a change in how someone typically functions is when people could benefit from assistance,” she said.

### **How it could be**

Dalke, Marski and their staffs continue to overcome the obstacles of helping their rural neighbors with mental healthcare needs. Ideally, they could see a rural America where services are available in every local community, with even more partnerships among providers to ensure specialty mental health needs are met. It would be ideal in the future if mental health services were covered by more insurance policies, with more logical coverage for rural providers able to meet with patients over internet access or in their primary physician’s office. Another need would be for more providers to provide bilingual services for the immigrant populations in our rural communities. And, for the Veterans Administration to work more with community mental health centers to cover closer service providers to veterans so they don’t have to travel so far for help.

But, above all, the best thing that could happen for improved mental health care in rural America is for neighbors to speak up and reduce the stigma of seeking help when it’s needed.

“One-quarter of us in any part of this state will experience significant emotional health issues,” Dalke said. “That’s 25 percent of us who are struggling at any point. And in our lifetimes, 90 percent of us will have a mental health challenge, whether that’s in our senior years with the loss of faculties and major depression to other issues at other ages. We all struggle with stresses all the time.

“So we need to beat down the stigma that keeps us from seeking help,” he said.

Jennifer M. Latzke can be reached at 620-227-1807 or [jlatzke@hpj.com](mailto:jlatzke@hpj.com).

## Warning signs

The dream starts out the same every time.

The man knows it's a dream. But still he can smell the smoke. He feels the heat and hears the crackle of the flames. He sees the cattle, his cattle, wandering with singed flesh and wounded eyes.

And just as the gunshot sounds, he wakes up. Reaches for the light and remembers his wife sleeping soundly next to him and decides to lay there in the dark instead. Trying valiantly to get his heart to stop racing, he considers getting up quietly and getting a drink to numb the fear. Like the nights before.

It's a scene that has played out in some form or another for all too many nights in bedrooms in the communities affected by the spring wildfires. Ric Dalke explained that victims of the fires and the recovery efforts afterward can sometimes replay the trauma in their minds, the memories so strong they relive the trauma all over again.

"It's a replay of the sounds, the visual cues related to the trauma," explained Dalke, executive director of Compass Behavioral Health and the Iroquois Center for Human Development in Garden City and Greensburg, Kansas. "We talked with some who had to walk through and shoot cattle. And they can still hear the gunshots again and again. You could call it Post Traumatic Stress Disorder."

For the first two weeks after the fires, in March, Dalke said Compass and the Iroquois Center brought counselors and therapists to Ashland, Kansas, to help those affected by the fires. They helped a lot of people, he said, yet there still is a stigma attached to seeking mental health help.

But there are ways to see if someone isn't managing the stress and trauma well.

- Appetite disturbance, either eating more than usual or not eating;
- Change in sleep patterns;
- More irritability or moodiness, which shows as no tolerance for minor irritations or less patience with friends and family;
- Increased use of alcohol or drugs or other coping mechanisms;
- Spousal and child physical and emotional abuse; or
- Traumatic replay of the events.

"If you're this far out from the events and you still haven't balanced your appetite or your sleep patterns, it's time to get help and consider your options," Dalke said. "We need to sleep. We need to eat. And if we don't, it will just get worse."

If you or someone you know needs help, call:

- Compass Behavioral Health: 800-259-9576;

- Iroquois Center for Human Development: 620-723-2272;
- A local community mental health center, often found in the Yellow Pages or online; or
- Contact a primary physician, a local law enforcement agency, county Extension office, or a pastor or trusted spiritual advisor for help and referrals.

“It doesn’t have to be a local mental health center,” Dalke said. “Pastors are trained well. School counselors as well and our local Extension offices have great literature, too. If you don’t get help from a local community mental health center, please, get help somewhere.”





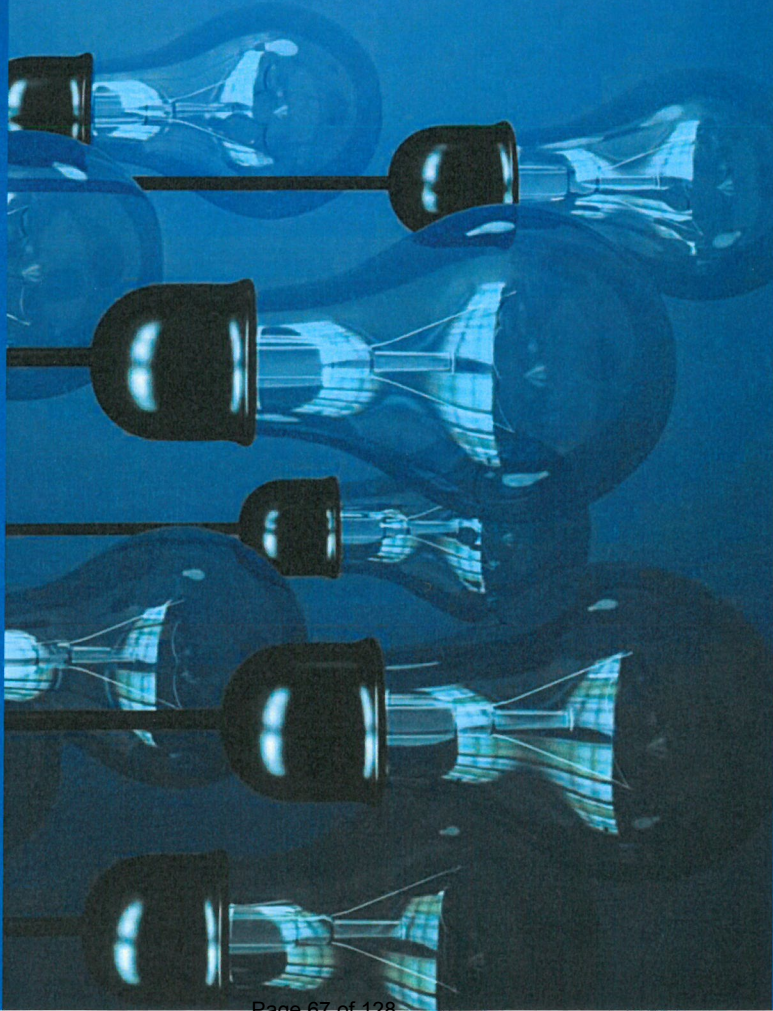
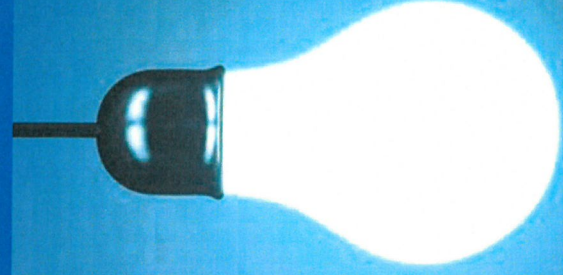






Healthy You: Healthy Community!

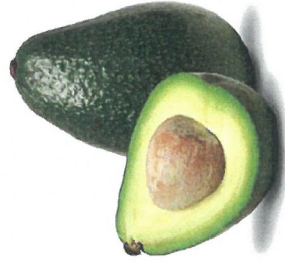
# Bright Spots



# Fallbrook Regional

HEALTH  DISTRICT

## Health Initiatives



# North County Communities Collaborative Health Initiative

## Our Goal

Decrease incidence in diabetes, hypertension, and heart disease in the area we are serving by educating, screening, referring, advocacy, and community outreach as well as integrating community classes, exercise/ physical activity so others may thrive.



# CALL TO ACTIVITY WELLNESS ONE STEP AT A TIME

**BONSALL • DE LUZ • FALLBROOK • RAINBOW**  
**CALL TO ACTIVITY**  
**WELLNESS... ONE STEP AT A TIME**

WINNERS FOR THE MONTH OF JUNE  
**Fallbrook Senior Center Like Winners**

We thank you for stepping up to the challenge

Fallbrook Senior Center  
 Fallbrook, Shibley, Project  
 Senior Care

**BONSALL • DE LUZ • FALLBROOK • RAINBOW**  
**CALL TO ACTIVITY**  
**WELLNESS... ONE STEP AT A TIME**

WINNERS OF THE MONTH OF SEPTEMBER  
**Patrick Walker, Athletic Director**

We thank you for stepping up to the challenge

Fallbrook Senior Center  
 Fallbrook, Shibley, Project  
 Senior Care

**BONSALL • DE LUZ • FALLBROOK • RAINBOW**  
**CALL TO ACTIVITY**  
**WELLNESS... ONE STEP AT A TIME**

WINNERS OF THE MONTH OF JULY  
**Wade into Fitness**

We thank you for stepping up to the challenge

Fallbrook Senior Center  
 Fallbrook, Shibley, Project  
 Senior Care

**BONSALL • DE LUZ • FALLBROOK • RAINBOW**  
**CALL TO ACTIVITY**  
**WELLNESS... ONE STEP AT A TIME**

WINNERS OF THE MONTH OF OCTOBER  
**Star's Club's Wellness Drop**

We thank you for stepping up to the challenge

Fallbrook Senior Center  
 Fallbrook, Shibley, Project  
 Senior Care

**BONSALL • DE LUZ • FALLBROOK • RAINBOW**  
**CALL TO ACTIVITY**  
**WELLNESS... ONE STEP AT A TIME**

WINNERS OF THE MONTH OF AUGUST  
**Anything Fitness**

We thank you for stepping up to the challenge

Fallbrook Senior Center  
 Fallbrook, Shibley, Project  
 Senior Care

**BONSALL • DE LUZ • FALLBROOK • RAINBOW**  
**CALL TO ACTIVITY**  
**WELLNESS... ONE STEP AT A TIME**

WINNERS OF THE MONTH OF NOVEMBER  
**HINES GROWERS**

We thank you for stepping up to the challenge

Fallbrook Senior Center  
 Fallbrook, Shibley, Project  
 Senior Care

# HEALTH & WELLNESS INITIATIVES

- Food is Medicine
- Exercise is Medicine
- Prevent The Preventable



**Plant Me!**



**FOOD  
IS  
MEDICINE**



**EXERCISE  
IS  
MEDICINE**

**Fallbrook Regional  
HEALTH DISTRICT**

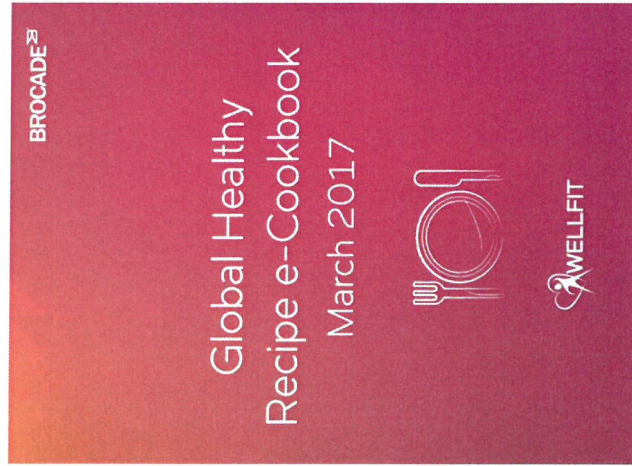
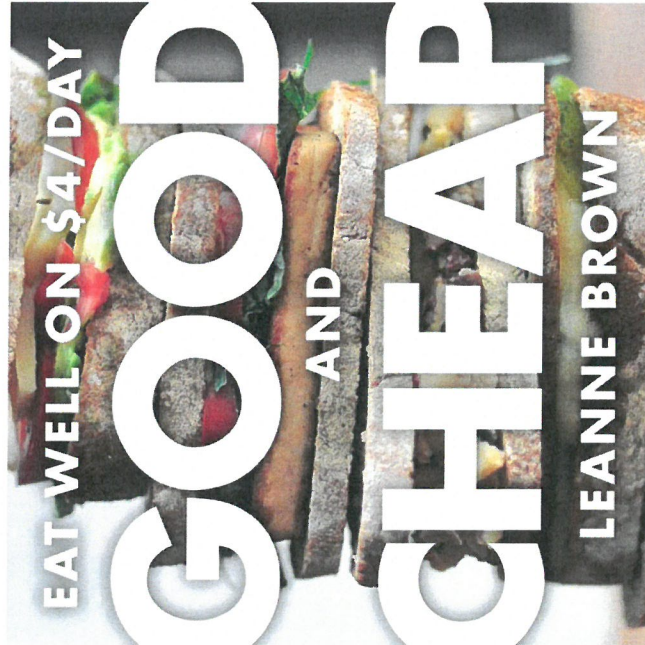
The biodegradable seed paper is  
entirely compostable. Simply  
soak it in water for a day  
and plant under a thin layer of  
soil, and keep moist until  
seedlings are well established.  
Sprouts will appear 1-3 weeks.



Recycled seed paper was  
made from 100% recycled paper.



# FOOD IS MEDICINE



<https://cookbooks.leannebrown.com/good-and-cheap.pdf>

<https://www.fallbrookhealth.org/brocade-wellfit-global-healthy-recipe-e-cookbook>

# RECIPE CARDS & COOKBOOKS

① [cachampionsforchange.cdph.ca.gov/Pages/localinformation.aspx](http://cachampionsforchange.cdph.ca.gov/Pages/localinformation.aspx)

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## Champions for Change



**Join the Movement**



**El Sabor in a Drink**



**Sound Recipes**



**Tools for Change**



**CHAMPIONS for CHANGE**

Join the Movement

Eat Healthy

Get Moving

Rethink Your Drink

Tools for Change

### Local Information

How can I find a nutrition or physical activity agency information? Click on the county you live in and get in contact with the Public Health Department in your area!

- [Alameda County](#)
- [Alpine County](#)
- [Amador County](#)
- [Butte County](#)
- [Calaveras County](#)
- [Colusa County](#)
- [Contra Costa County](#)
- [Del Norte County](#)
- [El Dorado County](#)
- [Fresno County](#)
- [Glenn County](#)
- [Humboldt County](#)
- [Imperial County](#)
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- [Kern County](#)

- [Orange County](#)
- [Pasadena - City of](#)
- [Placer County](#)
- [Plumas County](#)
- [Riverside County](#)
- [Sacramento County](#)
- [San Benito County](#)
- [San Bernardino County](#)
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- [San Joaquin County](#)
- [San Luis Obispo County](#)
- [San Mateo County](#)
- [Santa Barbara County](#)
- [Santa Clara County](#)
- [Santa Cruz County](#)

**Join us on Facebook**

Join Us on Facebook  
We'd love to connect you with other Champions for Change on our Facebook page. Follow us today!

# COOKING CLASSES



## DEMONSTRATION

## COOKBOOK

## INGREDIENTS

- FALLBROOK FAMILY HEALTH CENTER
- CAL STATE UNIVERSITY SAN MARCOS RN STUDENTS
- FALLBROOK FOOD PANTRY COLLABORATION

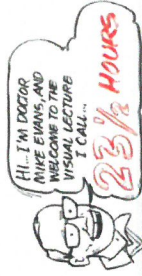
# EXERCISE IS MEDICINE

Exercise is Medicine



May-Kit Happen is a program asking people to put a little more physical activity into their lives and to talk to their physicians during the month of May about what types of exercises are best suited to their circumstances.

[www.exerciseismedicine.org](http://www.exerciseismedicine.org)



23 AND 1/2 HOURS

What is the single best thing we can do for our health?  
READ MORE >

# WELLNESS WALKS



# PREVENT THE PREVENTABLE



NCCCCHI COLLABORATIVE AND  
CAL STATE UNIVERSITY SAN  
MARCOS RN STUDENTS  
PROVIDING HEALTH SCREENINGS  
AT LOCAL NURSERY.



# CONTACT INFO

[BPalmer@FallbrookHealth.org](mailto:BPalmer@FallbrookHealth.org)

[Lbannerman@FallbrookHealth.org](mailto:Lbannerman@FallbrookHealth.org)

[Pknox@FallbrookHealth.org](mailto:Pknox@FallbrookHealth.org)

760-731-9187

PO BOX 2587 • Fallbrook CA 92028



**REPORTS**  
Legislative Communication





California Special  
Districts Association  
*Districts Stronger Together*

# e-News



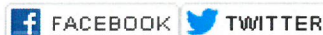
## Districts No Longer in Danger of Dissolution without Due Process

[Senate Bill 448](#) (Wieckowski), which provides a streamlined process for the dissolution of inactive special districts, passed out of the Assembly Local Government Committee last week with CSDA-requested amendments. The bill originally would have required Local Agency Formation Commissions (LAFCOs) to dissolve districts classified as "inactive" by the Controller's Office, without any review or verification. Additionally, the bill would have labeled certain districts as "idle", mandated redundant reporting requirements, and prohibited districts from testifying in a public hearing on their own dissolution. These concerns have all been addressed and CSDA now supports the legislation.

CSDA members were [concerned](#) that the lack of due process would have led to the expensive mistake of dissolving districts inadvertently classified as inactive. CSDA worked with the author and committee to secure amendments to improve due process and allow districts to clarify their status. The bill now provides LAFCOs with a streamlined process to dissolve clearly inactive districts, without being subject to protest provisions. LAFCOs will be required to verify that the district is in fact inactive before approving dissolution. This will save costs for the LAFCOs and take districts that no longer exist off the books. CSDA staff gave a brief testimony in support of the revised bill and thanked the bill's author, Senator Bob Wieckowski, and the Assembly Local Government Committee for their efforts.

If you have any questions on SB 448, please contact Rylan Gervase at [rylang@csda.net](mailto:rylang@csda.net).

[California Special Districts Association](#) | 1112 I Street | Suite 200 | Sacramento, CA 95814 | 877.924.CSDA (2732)



A Proud California Special Districts Alliance Partner



**California Special  
Districts Association**  
*Districts Stronger Together*

June 29, 2017

The Honorable Cecilia Aguiar-Curry  
Chair, Assembly Local Government Committee  
State Capitol  
Sacramento, CA 95814

**RE: Senate Bill 448 (Wieckowski) – Oppose Unless Amended [As Amended May 26, 2017]**  
Hearing Date: July 12, 2017 – *Assembly Local Government Committee*

Dear Assembly Member Aguiar-Curry:

The California Special Districts Association (CSDA), representing over 1,000 special districts and affiliate organizations throughout the state, regrets to inform you of our opposition to SB 448 (Wieckowski), related to special districts, unless it is amended to ensure a transparent and public process that allows for local flexibility. Special districts provide millions of Californians with essential local services, such as water service, fire protection, library services, and parks and recreation.

SB 448 makes a number of changes to existing law affecting special districts. SB 448 creates a new category of “inactive” districts and requires local agency formation commissions (LAFCOs) to dissolve these districts, and requires counties to include additional information on the county tax bill. CSDA supports the filing of proper financial paperwork necessary for transparency. We also understand the importance of LAFCOs and would support appropriate process improvements that would allow LAFCOs to more efficiently address truly inactive local agencies. We also thank the author for the amendments that remove the onerous and duplicative new auditing and reporting requirements established in previous versions of the bill. However, we must remain opposed to SB 448, unless the following concerns are addressed to protect communities from losing their essential local services without due process.

CSDA supports the concept of empowering LAFCOs with a streamlined process for dissolving truly inactive districts, if appropriate due process is observed. SB 448 establishes a definition for “inactive” districts and requires the LAFCO to dissolve “inactive” districts after a single public hearing. A district is defined as “inactive” if the district has had no financial transactions in the previous fiscal year, has no assets, has no fund equity, and has no outstanding debts, judgments, litigation, contracts, liens, claims, or postemployment liabilities.

SB 448 must include stronger due process protections to ensure that district that have been erroneously classified as inactive are not summarily dissolved. SB 448 requires LAFCOs to dissolve districts that the Controller has dedicated as inactive without any review process. LAFCO should be required to verify and issue findings as to whether the district meets each requirement for “inactive” following a reasonable public notification and review process that affords the opportunity for a response from the community, the district, and other affected agencies.

**California Special Districts Association**

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toll-free: 877.924.2732  
t: 916.442.7887  
f: 916.442.7889  
www.csda.net

*A proud California Special Districts Alliance partner*

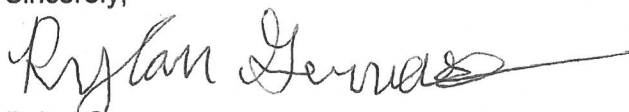
Special District Risk Management Authority  
1112 I Street, Suite 300  
Sacramento, CA 95814  
toll-free: 800.537.7790  
f: 916.231.4111

CSDA Finance Corporation  
1112 I Street, Suite 200  
Sacramento, CA 95814  
toll-free: 877.924.2732  
f: 916.442.7889

Under SB 448, districts would be prohibited from speaking on their own dissolution. This provision prevents a district that is active from clarifying their status with LAFCO. As currently written, the bill provides little protection for districts inadvertently classified as "inactive". An administrative error could force a LAFCO to dissolve a district and cut a community off from essential local services. We agree that the process for dissolving inactive districts does not need to require the same level of analysis conducted in traditional dissolutions of active public agencies, but it should include checks and balances to ensure that only truly inactive districts are dissolved in a streamlined approach. Such due process is a reasonable approach that would prevent unintended and costly mistakes with very little delay.

For these reasons, CSDA is regretfully opposed to SB 448, unless the bill is amended to address the concerns above. Please feel free to contact me if you have any questions.

Sincerely,



Rylan Gervase  
Legislative Representative

CC: The Honorable Bob Wieckowski  
Members, Assembly Local Government Committee  
Misa Lennox, Principal Consultant, Assembly Local Government Committee  
William Weber, Consultant, Assembly Republican Caucus  
Tom Dyer, Chief Deputy Legislative Secretary, Office of Governor Brown

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SHARE THIS:



Date Published: 07/18/2017 04:00 AM

AMENDED IN ASSEMBLY JULY 17, 2017

AMENDED IN ASSEMBLY JULY 03, 2017

AMENDED IN SENATE MAY 26, 2017

AMENDED IN SENATE MAY 02, 2017

AMENDED IN SENATE APRIL 18, 2017

AMENDED IN SENATE APRIL 04, 2017

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

**SENATE BILL****No. 448****Introduced by Senator Wieckowski****February 15, 2017**

An act to amend Sections ~~26909~~ 26909, 56073.1, and 56375 of, to add Sections 12463.4 and 56042 to, and to add Article 6 (commencing with Section 56879) to Chapter 5 of Part 3 of Division 3 of Title 5 of, the Government Code, relating to local government.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 448, as amended, Wieckowski. Local government: organization: districts.

(1) Existing law requires the officer of each local agency, as defined, who has charge of the financial records of the local agency, to furnish to the Controller a report of all the financial transactions of the local agency during the next preceding fiscal year within 7 months after the close of each fiscal year. Existing law also requires a report of an audit of a special district's accounts and records made by a certified public accountant or public accountant to be filed with the Controller and the county auditor of the county in which the special district is located within 12 months of the end of the fiscal year or years under examination.

This bill would instead require special districts defined by a specified provision to file those audit reports with the Controller and special districts defined by another specified provision to file those audit reports with the Controller and with the local agency formation commission of either the county in which the special district is located or, if the special district is located in 2 or more counties, with each local agency formation commission within each county in which the district is located. The bill would also require the Controller to publish on the Controller's Internet Web site a comprehensive list of special districts on or before July 1, 2019, and to annually update that list.

(2) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, as specified.

This bill would require the Controller to create a list of special districts that are inactive, as provided. The bill would also require the Controller to publish this list and to notify a local agency formation commission in the county or counties in which the special district is located if the Controller has included the special district in this list. The bill would require a local agency formation commission to initiate proceedings for the dissolution of any special district that is an inactive district and to dissolve those districts. The bill would define the term "inactive district" for these purposes. This bill would also make conforming changes. By increasing the duties of local officials, this bill would impose a state-mandated local program.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 12463.4 is added to the Government Code, to read:

**12463.4.** On or before July 1, 2019, the Controller shall publish on the Controller's Internet Web site a comprehensive list of special districts. The Controller shall update the list every year thereafter. For purposes of this section, the term "special district" means an "independent district" or "independent special district" as those terms are defined in Section 56044.

**SEC. 2.** Section 26909 of the Government Code, as amended by Section 1 of Chapter 164 of the Statutes of 2016, is amended to read:

**26909.** (a) (1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) (A) If an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(B) A report of the audit required pursuant to subparagraph (A) shall be filed within 12 months of the end of the fiscal year or years under examination as follows:

(i) For a special district defined in paragraph (2) of subdivision (d) of Section 12463, with the Controller.

(ii) For a special district defined in Section 56036, with the Controller and with the local agency formation commission of the county in which the special district is located, unless the special district is located in two or more counties, then with each local agency formation commission within each county in which the district is located.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, this subdivision shall apply to the auditor of the county in which the treasury is located.

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c) (1) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, or an agreed-upon procedures engagement, in accordance with the appropriate professional standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(C) The special district shall pay for any costs incurred by the county auditor in performing an agreed-upon procedures engagement. Those costs shall be charged against any unencumbered funds of the district available for that purpose.

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review, or an agreed-upon procedures engagement, in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) (1) A special district may, by annual unanimous request of the governing board of the special district and with annual unanimous approval of the board of supervisors, replace the annual audit required by this section with an annual financial compilation of the special district to be performed by the county auditor in accordance with professional standards, if all of the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(C) The special district shall pay for any costs incurred by the county auditor in performing a financial compilation. Those costs shall be a charge against any unencumbered funds of the district available for that purpose.

(2) A special district shall not replace an annual audit required by this section with an annual financial compilation of the special district pursuant to paragraph (1) for more than five consecutive years, after which a special district shall comply with subdivision (a).

(e) Notwithstanding this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

(f) Upon receipt of the financial review, agreed-upon procedures engagement, or financial compilation, the county auditor shall have the right to appoint, pursuant to subdivision (a), a certified public accountant or a public accountant to conduct an audit of the special district, with proper notice to the governing board of the special district and board of supervisors.

(g) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

**SEC. 3.** Section 26909 of the Government Code, as added by Section 2 of Chapter 164 of the Statutes of 2016, is amended to read:

**26909.** (a) (1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) (A) If an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(B) A report of the audit required pursuant to subparagraph (A) shall be filed within 12 months of the end of the fiscal year or years under examination as follows:

(i) For a special district defined in paragraph (2) of subdivision (d) of Section 12463, with the Controller.

(ii) For a special district defined in Section 56036, with the Controller and with the local agency formation commission of the county in which the special district is located, unless the special district is located in two or more counties, then with each local agency formation commission within each county in which the district is located.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, this subdivision shall apply to the auditor of the county in which the treasury is located.

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c) (1) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, in accordance with the appropriate professional standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) Notwithstanding this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

(e) This section shall become operative on January 1, 2027.

**SEC. 4.** Section 56042 is added to the Government Code, to read:

**56042.** "Inactive district" means a special district that meets all of the following:

(a) The special district is as defined in Section 56036.

(b) The special district has had no financial transactions in the previous fiscal year.

(c) The special district has no ~~assets~~; *assets and liabilities*.

~~(d) The special district has no fund equity.~~

~~(e)~~

~~(d) The special district has no outstanding debts, judgments, litigation, contracts, liens, ~~claims, or postemployment liabilities, or claims.~~~~

**SEC. 5.** *Section 56073.1 of the Government Code is amended to read:*

**56073.1.** "Resolution of application" means the document adopted by a local agency or school district initiating a change of organization or reorganization pursuant to Section ~~56654.~~ *56654 or the document adopted by a commission pursuant to paragraph (2) of subdivision (a) of Section 56375 or by subdivision (c) of Section 56879.*

~~SEC. 5.~~ **SEC. 6.** Section 56375 of the Government Code is amended to read:

**56375.** The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part:

(a) (1) To review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.

(2) The commission may initiate proposals by resolution of application for any of the following:

(A) The consolidation of a district, as defined in Section 56036.

(B) The dissolution of a district.

(C) A merger.

(D) The establishment of a subsidiary district.

(E) The formation of a new district or districts.

(F) A reorganization that includes any of the changes specified in subparagraph (A), (B), (C), (D), or (E).

(G) The dissolution of an inactive district pursuant to Section 56879.

(3) A commission may initiate a proposal described in paragraph (2) only if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378, 56425, or 56430, and the commission makes the determinations specified in subdivision (b) of Section 56881.

(4) A commission shall not disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is any of the following:

(A) Surrounded or substantially surrounded by the city to which the annexation is proposed or by that city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 56064, is designated for urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city.

(B) Located within an urban service area that has been delineated and adopted by a commission, which is not prime agricultural land, as defined by Section 56064, and is designated for urban growth by the general plan of the annexing city.

(C) An annexation or reorganization of unincorporated islands meeting the requirements of Section 56375.3.

(5) As a condition to the annexation of an area that is surrounded, or substantially surrounded, by the city to which the annexation is proposed, the commission may require, where consistent with the purposes of this division, that the annexation include the entire island of surrounded, or substantially surrounded, territory.

(6) A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.



(7) The decision of the commission with regard to a proposal to annex territory to a city shall be based upon the general plan and rezoning of the city. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. A commission shall require, as a condition to annexation, that a city rezone the territory to be annexed or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already at build-out, and are consistent with the city's general plan. However, the commission shall not specify how, or in what manner, the territory shall be rezoned.

(8) (A) Except for those changes of organization or reorganization authorized under Section 56375.3, and except as provided by subparagraph (B), a commission shall not approve an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer.

(B) An application to annex a contiguous disadvantaged community shall not be required if either of the following apply:

(i) A prior application for annexation of the same disadvantaged community has been made in the preceding five years.

(ii) The commission finds, based upon written evidence, that a majority of the registered voters within the affected territory are opposed to annexation.

(b) With regard to a proposal for annexation or detachment of territory to, or from, a city or district or with regard to a proposal for reorganization that includes annexation or detachment, to determine whether territory proposed for annexation or detachment, as described in its resolution approving the annexation, detachment, or reorganization, is inhabited or uninhabited.

(c) With regard to a proposal for consolidation of two or more cities or districts, to determine which city or district shall be the consolidated successor city or district.

(d) To approve the annexation of unincorporated, noncontiguous territory, subject to the limitations of Section 56742, located in the same county as that in which the city is located, and that is owned by a city and used for municipal purposes and to authorize the annexation of the territory without notice and hearing.

(e) To approve the annexation of unincorporated territory consistent with the planned and probable use of the property based upon the review of general plan and rezoning designations. No subsequent change may be made to the general plan for the annexed territory or zoning that is not in conformance to the rezoning designations for a period of two years after the completion of the annexation, unless the legislative body for the city makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the rezoning in the application to the commission.

(f) With respect to the incorporation of a new city or the formation of a new special district, to determine the number of registered voters residing within the proposed city or special district or, for a landowner-voter special district, the number of owners of land and the assessed value of their land within the territory proposed to be included in the new special district. The number of registered voters shall be calculated as of the time of the last report of voter registration by the county elections official to the Secretary of State prior to the date the first signature was affixed to the petition. The executive officer shall notify the petitioners of the number of registered voters resulting from this calculation. The assessed value of the land within the territory proposed to be included in a new landowner-voter special district shall be calculated as shown on the last equalized assessment roll.

(g) To adopt written procedures for the evaluation of proposals, including written definitions consistent with existing state law. The commission may adopt standards for any of the factors enumerated in Section 56668. Any standards adopted by the commission shall be written.

(h) To adopt standards and procedures for the evaluation of service plans submitted pursuant to Section 56653 and the initiation of a change of organization or reorganization pursuant to subdivision (a).

(i) To make and enforce regulations for the orderly and fair conduct of hearings by the commission.

(j) To incur usual and necessary expenses for the accomplishment of its functions.

(k) To appoint and assign staff personnel and to employ or contract for professional or consulting services to carry out and effect the functions of the commission.

(l) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

(m) To waive the restrictions of Section 56744 if it finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.

(n) To waive the application of Section 22613 of the Streets and Highways Code if it finds the application would deprive an area of a service needed to ensure the health, safety, or welfare of the residents of the area and if it finds that the waiver would not affect the ability of a city to provide any service. However, within 60 days of the inclusion of the territory within the city, the legislative body may adopt a resolution nullifying the waiver.

(o) If the proposal includes the incorporation of a city, as defined in Section 56043, or the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56810.

(p) To authorize a city or district to provide new or extended services outside its jurisdictional boundaries pursuant to Section 56133.

(q) To enter into an agreement with the commission for an adjoining county for the purpose of determining procedures for the consideration of proposals that may affect the adjoining county or where the jurisdiction of an affected agency crosses the boundary of the adjoining county.

(r) To approve with or without amendment, wholly, partially, or conditionally, or disapprove pursuant to this section the annexation of territory served by a mutual water company formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code that operates a public water system to a city or special district. Any annexation approved in accordance with this subdivision shall be subject to the state and federal constitutional prohibitions against the taking of private property without the payment of just compensation. This subdivision shall not impair the authority of a public agency or public utility to exercise eminent domain authority.

**SEC. 6. SEC. 7.** Article 6 (commencing with Section 56879) is added to Chapter 5 of Part 3 of Division 3 of Title 5 of the Government Code, to read:

**Article 6. Inactive Special Districts**

**56879.** (a) On or before November 1, 2018, and every year thereafter, the Controller shall create a list of special districts that are inactive, as defined in Section 56042, based upon the financial reports received by the Controller pursuant to Section 53891. The Controller shall publish the list of inactive districts on the Controller's Internet Web site. The Controller shall also notify the commission in the county or counties in which the district is located if the Controller has included the district in this list.

(b) The commission shall initiate dissolution of inactive districts by resolution within 90 days of receiving notification from the Controller pursuant to subdivision (a), unless the commission determines that the district does not meet the criteria set forth in Section 56042. The commission shall notify the Controller if the commission determines that a district does not meet the criteria set forth in Section 56042.

(c) The commission shall dissolve inactive districts. The commission shall hold one public hearing on the dissolution of an inactive district pursuant to this ~~section~~ *section no more than 90 days following the adoption of the resolution initiating dissolution*. The dissolution of an inactive district shall not be subject to any of the following:

~~(1) Sections 57008, 57077.1, and 57102.~~

*(1) Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4.*

(2) Determinations pursuant to subdivision (b) of Section 56881.

(3) Requirements for commission-initiated changes of organization described in paragraph (3) of subdivision (a) of Section 56375.

~~(d) If the Controller receives substantial evidence that a district does not meet the criteria set forth in Section 56042, the Controller shall remove the district from the inactive list created pursuant to subdivision (a) and notify the commission in the county or counties in which the district is located.~~

**56880.** This article shall not apply to a special district formed by special legislation ~~during the period of time in which the district is authorized to obtain funding.~~ *that is required by its enabling statute to obtain funding within a specified period of time or be dissolved. That district shall not be subject to this article during that specified period of time.*

**SEC. 7. SEC. 8.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.





HURST+BROOKS+ESPINOSA

**A note to our readers...**

During the Legislature's four-week break, we will publish *This Week in Sacramento* on an as-needed basis. Expect at least one more issue prior to the Legislature's August 21 return to Sacramento. During the week of August 14, we will provide you with a preview of what big issues the Legislature will be tackling before Fall recess.

# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF JULY 31, 2017

## The Future of the Affordable Care Act (ACA)

In the aftermath of the failed attempt by the Senate to repeal portions of the ACA last week, health care continues to be a hot topic in Washington, D.C. Speculation about next steps includes increased focus on what actions the Trump Administration can take administratively to dismantle or hobble the ACA. On that front, the term of the week is "cost-sharing reductions" (CSR).

CSRs are payments to insurance plans to help subsidize the costs of individuals with high cost medical needs; the payments are worth \$7 billion this year. The uncertainty around whether the CSRs payments will continue is affecting premiums and the willingness of some insurers to continue to participate in state exchanges and the federal exchange.

The President has threatened to withhold the August CSR payments and wants another repeal vote, which Senate leadership acknowledged this week is unlikely. Officials within the Administration have said that a decision about the August payments will be made this week. More conservatives, including Senator Orrin Hatch (R-UT), are advocating for sending out CSRs only if significant ACA reforms are made. There is some belief that withholding the CSRs creates pressure to come to agreement on another try at repeal-and-replace.

Senator Lamar Alexander (R-IA) – the chair of the Health, Education, Labor and Pension Committee – wants the President to keep making payments and plans to hold hearings when the Senate returns after Labor Day regarding how to stabilize the market places. On Wednesday, Senator Alexander called for bipartisanship agreement on a one-year extension on the CSRs. A bipartisan group of Governors are advocating, via the National Governors Association, for the CSRs to continue.

Additionally, the CSRs are the topic of ongoing litigation. Recall that the House sued the Obama Administration saying that the CSRs required Congressional approval. A federal court ruled in favor of the House in 2016, but said the President could continue making payments while the case worked its way through the courts. On August 1, the U.S. Court of Appeals ruled that a coalition of 18 state

### Worth Noting: Insights into 2018 Statewide Election

In a series of tweets earlier this week, John Myers (@johnmyers) of the *Los Angeles Times* notes that no Republican candidates have yet emerged for five statewide offices in 2018. So far, no paperwork has been filed by a Republican candidate for Secretary of State, Controller, Treasurer, Insurance Commissioner, and Superintendent of Public Instruction. While 2018 will undoubtedly be a wild year election-wise, it is notable that five of eight California statewide offices lack a Republican candidate less than a year from the 2018 primary.

Attorney Generals and the District of Columbia, who want to keep the subsidies, may intervene in the appeal. California's Attorney General Xavier Becerra is one of the participating AGs.

As the uncertainty over the CSRs plays out, there are upcoming deadlines for health plans related to participation in the federal exchange. August 16 is the deadline for premium prices; September 27 is the final date for insurers to decide whether to sell in the marketplace in 2018.

Meanwhile, back in the Senate, efforts were made early this week to get repeal back on track. Senators Lindsay Graham (R-SC) and Bill Cassidy (R-LA) floated an amendment to the Senate health care bill aimed at garnering the 50-necessary votes. Those two Senators, along with Dean Heller (R-NV), met with the Trump Administration on Monday of this week. The Graham-Cassidy amendment would:

- Eliminate premium tax credits and cost sharing reductions.
- Eliminate the enhanced match for Medicaid expansion starting in 2020.
- Replace the marketplace subsidies and Medicaid expansion funding with a block grant, which is estimated to be about 16 percent below current law. After 2026, block grants funding would end entirely.
- Allow states greater flexibility in their insurance markets.
- Maintains the Medicaid per capita cap.

Senate leadership has started talking about tax reform, perhaps a signal that they are interested in moving on from health care.

On the House side, the "Problem Solvers Caucus" – a group of approximately 40 House Republicans and Democrats – has been looking at ways to stabilize the ACA. Their ideas were made public this week and include:

- Fund the CSR subsidies.
- Change the employer mandate from employer with 50 employees to 500 employees.
- Create a federal stability fund to reduce premiums and other costs for people with expensive medical conditions.
- Eliminate the medical device tax.
- Allow for greater flexibility for state innovation.

The Senate adjourned for the summer recess yesterday. When they return, the order of business will include several bills to fund federal agencies and to increase the Treasury's borrowing authority. Without the measures, there would be a threat of a government shutdown.

### **Covered California Update**

Covered California announced this week their preliminary 2018 premium rates for the exchange. The Department of Managed Health Care and Department of Insurance must review the proposed rates.

The Covered California insurance rates will increase by an average of 12.5 percent for the 11 plans participating in the state exchange. Rates are mostly going up because of increased costs of providing medical care (approximately 7 percent of the increase). Another 2.8 percent comes from the end of a federal health insurance tax holiday. The remaining 3 percent is the uncertainty over the

future of the ACA, including whether the tax penalty for going without insurance will continue to be enforced.

Some plans may also see an additional increase, averaging 12.4 percent, if the President stops funding the CSRs — or if uncertainty over the CSRs persists. As part of Covered California's concerns about the CSR payments, the proposed rates include an additional premium increase for silver-level plans only (silver is the second least expensive of the four tiers) as an alternative to broadly raising all premiums. The surcharge would trigger the caps on out-of-pocket costs for policy holders, requiring the federal government to make payments that would allow insurers to continue offering lower co-payments and deductibles. Absent a decision by the federal government in the next few weeks, Covered California officials said they will proceed with the surcharges.

Covered California said that the silver-tier plans would no longer be a good option for consumers who receive no subsidy; the department will be working with independent insurance advocates to get the message out to consumers.

Covered California also announced that one of its largest insurers, Anthem Blue Cross, will pull out of the exchange in 16 of the 19 regions it currently serves, forcing 153,000 consumers to find new health plans. A map of the plans being offered by county can be accessed [here](#). In a statement, Anthem cited volatility of the individual market and uncertainty about the CSRs as the reason for the move.

Covered California noted regional variation in premiums. Consumers in rural areas, particularly the rural northern part of California, will face an average rate increase of 29.5 percent even if they switch to a lower priced plan. Much of the premium issues are related to health care challenges (including provider shortages) that pre-date the ACA.

### **Medicaid Managed Care Rule**

The Department of Health Care Services (DHCS) released final network adequacy standards on July 19 as part of the state's implementation of the federal Medicaid Managed Care Rule. The [final proposal](#) addresses standards and monitoring for a variety of provider types and health plans. The draft network adequacy proposal was released in February and DHCS solicited stakeholder comments, which can be viewed [here](#).

Prior to California's adoption of the final network adequacy standards, there were no network adequacy standards for specialty mental health in Medi-Cal or for the Drug Medi-Cal-Organized Delivery System (DMC-ODS) waiver.

### **Background**

The Obama Administration issued new final managed care regulations in April of 2016. The overhaul and update was the first rewrite of federal managed care regulations since 2002.

The new rules apply the same provisions to different types of managed care plans – Managed Care Organizations (MCO), Prepaid Inpatient Health Plans (PIHP), Prepaid Ambulatory Health Plans (PAHP), and Primary Care Case Management (PCCM). In California DHCS contracts with MCOs and PIHPs (county Mental Health Plans). Counties that opt into the Drug Medi-Cal Organized Delivery System (DMC-ODS) waiver will be operating PAHPs, and the rules apply to the county operated PAHPs.

The final rule strengthens network adequacy requirements. Under the rule, California is required to develop and enforce network adequacy standards that include time and distance standards for each of the following provider types, if covered under the contract:

- Primary care (separate adult and pediatric)
- OB/GYN
- Behavioral health
- Specialists, including mental health and substance use disorder (separate adult and pediatric)
- Hospitals
- Pharmacies
- Pediatric dental
- Other provider types as determined by CMS
- LTSS time and distance standards when enrollees must travel to providers
- Network adequacy standards other than time and distance for LTSS providers that travel to the enrollee to deliver services

Plans must document to the state that they have the capacity to serve the expected enrollee population, annually and when there are significant changes in a plan’s operation that affect its capacity. Additionally, plan contracts must require plans to meet state standards for timely access to care, participate in state efforts to promote linguistically and culturally competent care, and provide physical access, reasonable accommodations, and accessible equipment for enrollees with disabilities.

**DHCS Final Proposal**

The document identifies different standards based on county size. The draft proposal created three categories of counties; the final rule creates a fourth category – splitting the 27 counties that were originally categorized as ‘medium’ into two groups – ‘small’ and ‘medium’. The medium counties include all counties with populations over 1 million (except for Los Angeles, which is in its own category). The final document defines counties in the following way:

Size Category	Population	# of Counties	Counties
Rural	<55,000 to 199,999	30	Alpine, Amador, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Kings, Lake, Lassen, Madera, Mariposa, Mendocino, Modoc, Mono, Napa, Nevada, Plumas, San Benito, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, Yuba
Small	200,000 to 999,999	19	Butte, Fresno, Kern, Marin, Merced, Monterey, Placer, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, Ventura, Yolo
Medium	1,000,000 to 3,999,999	8	Alameda, Contra Costa, Orange, Riverside, Sacramento, San Bernardino, San Diego, Santa Clara
Large	≥ 4,000,000	1	Los Angeles

**Mental Health Plans**

The July document provides additional background about the March 2016 CMS Medicaid mental health parity rule. Because of the federal parity rule, DHCS chose to adopt the same network adequacy standards for time and distance and timely access for all mental health providers (specialty and non-specialty) and specialists providing surgical/medical benefits. Additionally, like



Managed Care Plans (MCPs), MHPs will be required to demonstrate compliance with network adequacy standards for outpatient services provided to both adults and children/youth. DHCS will be seeking feedback and offer guidance to MHPs via a County Information Notice (CIN). The CIN will provide policy direction that reflects the network standards and DHCS expectations.

The following are the proposed standards for county Mental Health Plan network adequacy standards for individuals with serious mental illness:

MCP & MHP Mental Health (Non-Physician) Network Adequacy Standards		
Standard	Previous Requirement	Final Standard
Time and Distance for Adult and Pediatric Specialty Care (MCPs) & Non-Psychiatry Outpatient Services (MHPs)	MCPs: reasonable access as defined in Health and Safety Code §1367, subdivision (d), (e), and (i). MHPs: none.	Based on county population size as follows:  <i>Rural Counties:</i> 60 miles or 90 minutes from the beneficiary's residence <i>Small Counties:</i> 45 miles or 75 minutes from the beneficiary's residence <i>Medium Counties:</i> 30 miles or 60 minutes from the beneficiary's residence <i>Large Counties:</i> 15 miles or 30 minutes from the beneficiary's residence
Timely Access for Non-Urgent Appointments	Knox Keene Act: within 10 business days of request DHCS to MCP contract: within 10 business days of request	Same as current requirements for both adults and pediatric: Within 10 business days to appointment from request

### DMC-ODS Waiver Plans

The document updates the time and distance standards for the DMC-ODS waiver plans, differentiating services between outpatient and specialty services. Time and distance and timely access standards differ between outpatient and specialty services because of Opioid Treatment Programs (OTP) beneficiaries' need to receive medication daily and concerns about withdrawal without the medication.

Again, because of the federal parity rule, DHCS chose to adopt the same network adequacy standards for time and distance and timely access for OTP providers and specialists providing surgical/medical benefits. The time and distance standards for outpatient services is substantially similar, with the only difference being a slightly more generous standard for the small county category.

The following are the proposed standards for county network adequacy standards for substance use disorder:

Substance Use Disorder Network Adequacy Standards		
Standard	Previous Requirement	Final Standard
<b>Time and Distance:</b> Outpatient Services	None	Based on county population size as follows: <i>Rural Counties:</i> 60 miles or 90 minutes from the beneficiary's residence <i>Small Counties:</i> 60 miles or 90 minutes from the beneficiary's residence <i>Medium Counties:</i> 30 miles or 60 minutes from the beneficiary's residence <i>Large Counties:</i> 15 miles or 30 minutes from the beneficiary's residence
<b>Timely Access:</b> Outpatient Services	None	Within 10 business days to appointment from request
<b>Time and Distance:</b> Opioid Treatment Programs	None	Based on county population size as follows: <i>Rural Counties:</i> 60 miles or 90 minutes from the beneficiary's residence <i>Small Counties:</i> 45 miles or 75 minutes from the beneficiary's residence <i>Medium Counties:</i> 30 miles or 60 minutes from the beneficiary's residence <i>Large Counties:</i> 15 miles or 30 minutes from the beneficiary's residence
<b>Timely Access:</b> Opioid Treatment Programs	None	Within 3 business days to appointment from request

## Monitoring

DHCS is responsible for monitoring its contracts managed care health plans to determine compliance with the network adequacy standards. To measure time and distance, DHCS will utilize geo-mapping software to determine the beneficiaries' residential addresses to given provider types and validate data submissions from plans and providers. DHCS will also be looking at other indicators such as grievances and appeals reports, Medi-Cal Office of the Ombudsman call statistics, State Fair Hearing data, DMHC health center data, and other reports. DHCS is also required under the final federal rule to review provider network directories on monthly basis.

## Upcoming Hearings of Interest

Details are provided below on hearings of interest during the week of August 21, when the Legislature returns following its month-long break. Note that the Assembly Appropriations Committee will hear hundreds of bills on August 23, but the hearing specifics have not yet been published. More information will be provided as it becomes available.

Date	Committee(s)	Topic
Monday, August 21	Senate Appropriations Committee	<a href="#">SB 159</a> (Allen) – Off-highway vehicles (urgency) <a href="#">AB 205</a> (Wood) – Medi-Cal managed care plans <a href="#">AB 210</a> (Santiago) – Homeless multidisciplinary personnel team <a href="#">AB 300</a> (Caballero) – Child care and development services: individualized county child care subsidy plans: Counties of Monterey, San Benito, Santa Clara, and Santa Cruz

Date	Committee(s)	Topic
		<a href="#">AB 614</a> (Limón) – Area agency on aging: Alzheimer’s disease and dementia: training and services <a href="#">AB 668</a> (Gonzalez Fletcher) – Voting Modernization Bond Act of 2018 <a href="#">AB 1069</a> (Low) – Local government: taxicab transportation services <a href="#">AB 1200</a> (Cervantes) – Aging and Disabilities Resource Connection program <a href="#">AB 1250</a> (Jones-Sawyer) – Counties: contracts for personal services
Tuesday, August 22	Assembly Committee on Environmental Safety and Toxic Materials	Proposition 65 Update: Toxic Chemical Exposure: Protecting and Informing the Public
	Joint Hearing of Assembly and Senate Human Services Committees	<i>Oversight Hearing</i> The 2018-19 Community Services Block Grant State Plan
	Joint Committee on Rules	<i>Closed Session</i> State Capitol Building Annex: Capitol Security
Wednesday, August 23	Assembly Budget Subcommittee No. 3 on Resources and Transportation	Cap and Trade Expenditure Plan
	Joint Legislative Committee on Climate Change Policies	Local Actions to Improve Sustainability
	Assembly Select Committee on California’s Clean Energy Economy	Low Carbon Fuels: Methods of Procurement and Production
	Joint Legislative Committee on Emergency Management	<i>Informational Hearing</i> California’s Next Mega-Quake: Assessing the State’s Preparedness and Response Strategy

Please feel free to contact any one of us at Hurst Brooks Espinosa with questions ...

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**REPORTS**  
Communication Only



BPalmer

RECEIVED  
8/3/17

July 27, 2017

Fallbrook Regional Health District  
138 South Brandon Road  
Fallbrook, CA 92028

Dear Fallbrook Regional Health District;

Thank you for your generous grant of \$16,250.00 to REINS Therapeutic Horsemanship Program. Your thoughtful contribution allows us to continue to provide a unique therapy for our students and also expand our program to reach more students.

Through the generosity of donors, we have been fortunate to serve the disabled community for more than 33 years. REINS has grown to provide over 8,000 quality therapy lessons annually and we welcome almost 200 students weekly. We have earned the distinction of being ranked in the top 24 Therapeutic Horsemanship programs in the United States within PATH International's 844 programs!

We invite you to come see the difference REINS makes in the lives of our students and their families through your support. The program operates Monday through Saturday and visitors are always welcome. Seeing our program first hand is an amazing experience.

Again, thank you for your contribution.

In Appreciation,

*Canece Huber*  
Canece Huber  
Technology & Event Coordinator  
[canece@reinsprogram.org](mailto:canece@reinsprogram.org)



*Maria gives a wave while riding in our Annual Hoedown demonstration*

*This acknowledges your contribution of \$16,250.00 has been received. REINS has not provided you with any goods or services in exchange for this contribution.*

*Please retain this letter for your tax records.*

*REINS tax I.D. # 33-0035455*

**P.O. Box 1283, Bonsall, California 92003 • Phone (760) 731-9168 • Fax (760) 731-3949**

Therapeutic Horsemanship Program • Non-Profit Corporation 501 (c)(3) 33-0035455

www.reinsprogram.org  
Page 100 of 128



**Thursday, August 3, 2017**

**Fallbrook Library**

**124 S. Mission Rd.**

**6:00 p.m. – Social & Refreshments**

**6:30 p.m.—7:30 p.m. Presentation/Door Prizes**

*Featured Presentation:*

***“Mini Wellness Fair”***

*Please join us to learn about wellness services available in our own community. You might find something new you would like to try.*

*(No sales allowed)*

***Presenters:***

***Multiple providers from the  
Fallbrook Wellness Directory***

**Free Event including Refreshments • Door Prizes**

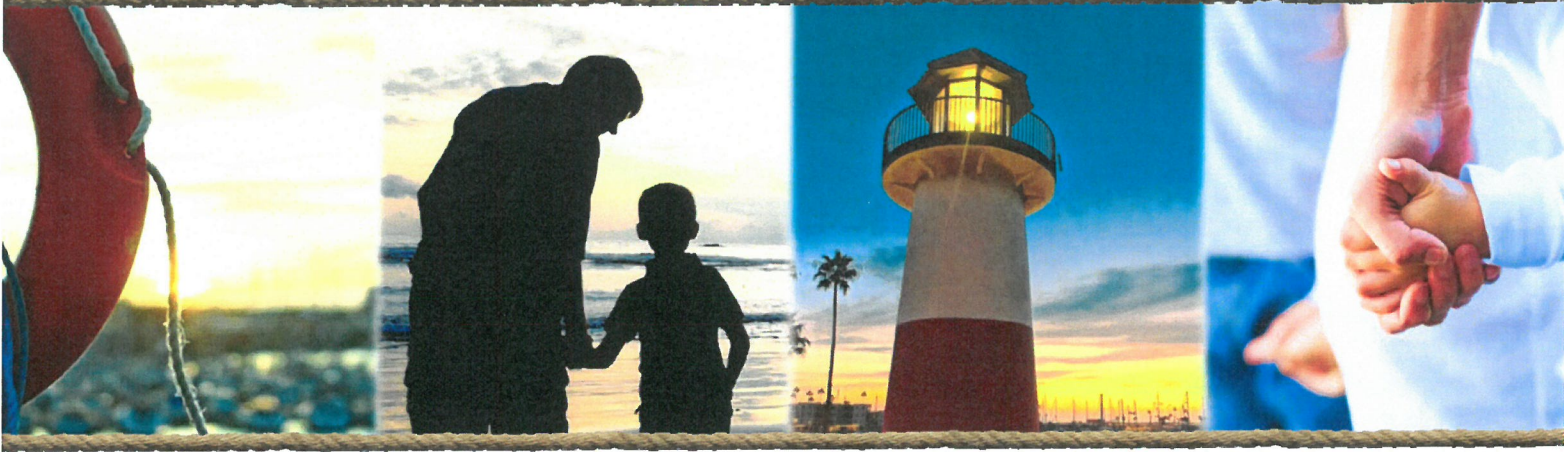
**Please Note: No need for Reservations at this time  
Please plan to attend and bring a friend!**

**Questions? Contact Pam Knox at [pknox@fallbrookhealth.org](mailto:pknox@fallbrookhealth.org)  
Or call 760-731-9187**

**Please bring non-perishable food items for Fallbrook Food Pantry**

**Fallbrook Regional**  
HEALTH  **DISTRICT**

JOIN US FOR THIS FREE COMMUNITY EVENT



6<sup>th</sup> Annual North County  
**GRANDPARENTS**  
*Raising Grandchildren*  
Relative Caregiver Symposium

**MY HOME  MY HARBOR**

**Creating a Safety Net of Support for Families**

**Saturday, August 26, 2017, 8:30 AM – 1:30 PM**

North Inland Live Well Center ▪ 649 W. Mission Avenue, Escondido, CA 92025

**Registration Opens 8:00 AM ▪ Program Begins 8:45 AM**

**FEATURES & FOCUS AREAS**

- Balancing Self-Care and Caregiving
- Cyber Safety Tips for Caregivers
- Family Fun Activities in North County
- Individualized Education Plans (IEPs)
- Legal Guardianship Options
- Career Readiness for Youth – What Caregivers Should Know
- Community Resource Fair
- Expired/Unused Prescription Drug Drop-off
- Free Blood Pressure Screenings
- Free Dental Check-ups for Youth
- Free Shingles Vaccines – Adults 60+
- Opportunity Drawings and Giveaways

**Dial 2-1-1 or visit [www.211sandiego.org/grandparents](http://www.211sandiego.org/grandparents) to register!**

Lunch and childcare provided with pre-registration. Spanish interpretation available.

**Space is limited. Online registration ends Saturday, August 19, 2017.**





6° Simposio Anual del Norte del Condado

# ABUELOS *Criando Nietos*

y parientes que proveen cuidado

## MI HOGAR MI PUERTO

Creando una Red de Apoyo para Familias

Sábado 26 de agosto de 2017, 8:30 AM – 1:30 PM

North Inland Live Well Center ▪ 649 W. Mission Avenue, Escondido, CA 92025

La registraci3n se abrirá a las 8:00 AM ▪ El programa iniciará a las 8:45 AM

### PRESENTACIONES Y ÁREAS DE ENFOQUE

- Cómo Cuidar de Sí Mismo y de su Familia
- Seguridad Cibernética para las Familias
- Actividades Familiares Divertidas en el Norte del Condado
- Planes de Educaci3n Individualizados
- Informaci3n sobre Custodia Legal
- Cómo Preparar a los Jóvenes Para una Carrera Profesional
- Feria de Recursos Comunitarios
- Recipientes Seguros para Desechar Medicamentos que ya no Usa o que est3n Vencidos
- Exámenes Gratuitos de Presi3n Arterial
- Exámenes Dentales Gratuitos para Niños y Jóvenes
- Vacunas Gratuitas Para Prevenir la Culebrilla – Adultos 60+
- Rifas y Regalos

¡Llame al 2-1-1 o visite [www.211sandiego.org/grandparents](http://www.211sandiego.org/grandparents) para registrarse!

Habrá cuidado de niños, servicios de interpretaci3n en español, y almuerzo disponible con registraci3n de antemano. **Cupo limitado. Regístrese antes de Sábado, 19 de agosto de 2017.**





Fallbrook Healthcare District  
Bobbi Palmer  
138 South Brandon Road  
Fallbrook, CA 92028

July 18, 2017

RECEIVED  
8/3/17

Dear Bobbi,

I'll get right to the point. We are asking for your help, so that the Foundation for Senior Care can continue providing transportation, care advocacy, day care and computer learning services to seniors and disabled adults. We have been serving the community since 1979, and are proud of the fact that we continue to help seniors live safely and independently at home, we provide transportation for seniors to get to their doctor appointments and to the market, and our day care, "The Club", helps those living with dementia or cognitive difficulties have respite care and socialization. We are able to do this because the community and businesses like Fallbrook Healthcare District are so generous.

**Your support for our 12<sup>th</sup> annual Foundation for Senior Care, Fall Benefit (formerly Dinner with the Docs) event on October 28<sup>th</sup> at the Vineyard at 1924 goes a long way to cover our program expenses.** This year's theme "Gangsters & Molls", is a prohibition party! Our venue lends its rustic ambiance to our passwords and pearls motif. The event will feature both a live and silent auction, opportunity raffles, and of course an amazing dinner being catered by our local chef, Signor Fantastico Faro Trupiano. We know a lot of other nonprofit organizations ask for support, but what makes us different is that we can maximize your sponsorship investment by providing additional advertising of Fallbrook Healthcare District on our Care Vans.


Our Care Vans transport our seniors and disabled adults all over the greater Fallbrook area, over 5,000 trips a year. We get great visibility and so would you!

Because we rely on fundraising events to generate money to cover program and operating expenses, we count on our community for sponsorships, auction items and ticket sales. **Enclosed is our sponsorship form, we hope you will take a moment to consider sponsoring or donating a raffle item to Gangsters & Molls, our Fall Benefit.** Keep in mind that depending on your sponsorship level we can help advertise Fallbrook Healthcare District for a full year! So, sponsor early to make the most of your sponsorship investment, then knock twice and say the password to be transported back to an era of rebellion, ingenuity, and plain old-fashioned frivolity!

In gratitude,



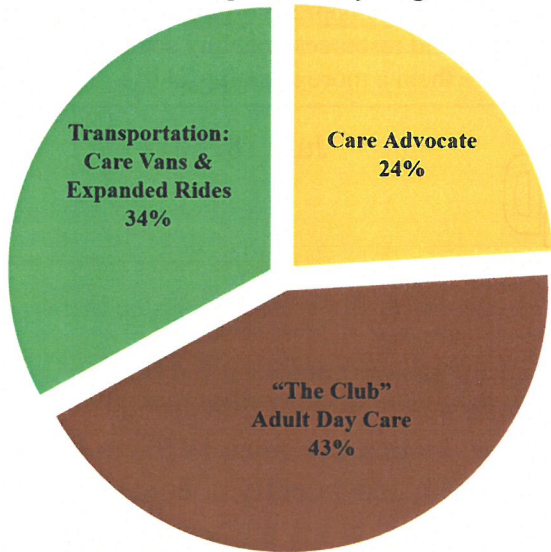
Rachel A. Mason (aka Hardcase Red)  
Executive Director



Theresa Geracitano (aka the Italian Cookie)  
Outreach & Development Officer



Percentage of Cost by Program



## Where the money goes

We faithfully adhere to strong accounting procedures and transparent stewardship of the donations given to us from our community. This last year, we spent .83¢ of every dollar on our programs and awareness, keeping our administrative and overhead costs low.

The Foundation for Senior Care receives funding from regional, corporate and private grants accounting for 37% of our total income, with an additional 33% from program-related fees and donations. Meaning that 29% of all the funding we receive comes directly from the community; people like you.



## Message Impact

Each year we hold several fundraising events that together have approximately 400 – 600 guests in attendance. While event guests are presented with information about our sponsors, so are our clients! We have provided direct serves to over 5,000 clients throughout the area, with another 7,000 through our community partners. We also use our social media, website, and physical campus to promote our supporters. Together we know that our Sponsors are visible and directly promoted to nearly 15,000 people each year! But wait, there's more! Event Sponsors are also recognized on our Care Vans, which are visible to the 57,000 residents of the greater Fallbrook area and through South Temecula as well.

## Program Efforts



### Care Van Program & Expanded Rides Service

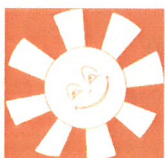
Over 5,500 rides are provided annually to seniors and disabled adults to access medical, dental and healthcare appointments, social service agencies, and grocery shopping.

*We are Fueled by Donations!*



### Care Advocates

The Care Advocates provided 3,715 points of contact for referrals and resources. We conducted over 292 home/Dr. appointment visits and provided follow up support for 164 reported fall incidents. Our Care Advocacy program ensures that clients have access to local resources and national entitlements to manage their healthcare, maximize their independence and enjoy an enriched quality of life.



### "The Club", Fallbrook Adult Day Care

We offer a secure social, recreational day program designed for seniors and disabled adults that need additional help. "The Club" staff specializes in caring for clients with dementia and other cognitive impairments. Our partnership with the City of Temecula has allowed us to provide transportation for Temecula area residents to attend "The Club" and increase access for those seeking support.



### Senior Care Computer Learning Center

Staffed entirely by computer savvy senior volunteers, the Senior Care Computer Learning Center offers computing classes for all levels, hosts weekly Fix-it Fridays, and workshops to seniors so that they can get and stay connected to family and the world.



# Gangsters & Molls

## Sponsorship Possibilities

### \$10,000 "The Real McCoy"



- ❖ Two reserved tables, seating for 16 with table recognition
  - ❖ Top mount signage on 1 Care Van, with logo medallion signs on 2 additional Care Vans for 1 year
  - ❖ Two Corporate Bricks (8" x 8") with company name or in memorial on campus walkway
  - ❖ Exhibit space and presentation of marketing materials at agency outreach events
  - ❖ Recognition on all event marketing materials including: event page, invitations, program, flyer.
- Special recognition on event signage and throughout event
- ❖ Prominent display of sponsor logo on agency website & logo banner posted on agency campus, e-newsletter, social media postings (over 8,000 followers/connections)

### \$8,500 "Big Cheese"

- ❖ One reserved table, seating for 8 with table recognition
  - ❖ Back window signage on 1 Care Van, with logo medallion signs on 2 additional Care Vans for 1 year
  - ❖ One Corporate Brick (8" x 8") with company name or in memorial on campus walkway
  - ❖ Exhibit space and presentation of marketing materials at agency outreach events
  - ❖ Recognition on all event marketing materials including: event page, invitations, program, flyer.
- Special recognition on event signage and throughout event
- ❖ Prominent display of sponsor logo on agency website & logo banner posted on agency campus, e-newsletter, social media postings (over 8,000 followers/connections)



### \$5,000 "Bootlegger"

- ❖ One reserved table, seating for 8 with table recognition
- ❖ One logo medallion signs on 3 Care Vans for 1 year
- ❖ One Corporate Brick (4" x 8") with company name or in memorial on campus walkway
- ❖ Exhibit space and presentation of marketing materials at agency outreach events
- ❖ Recognition on all event marketing materials including: event page, invitations, program, flyer. Special Recognition on event signage and throughout event
- ❖ Prominent display of sponsor logo on agency website & logo banner posted on agency campus, e-newsletters, social media postings (over 8,000 followers/connections)



### \$2,000 "Goon Squad"

- ❖ Reserved seating for 4 with table recognition
  - ❖ One medallion sign on 1 Care Van for 1 year
  - ❖ One Corporate Brick (4" x 8") with company name or in memorial on campus walkway
  - ❖ Recognition on all event marketing materials including: event page, invitations, program, flyer.
- Special recognition on event signage and throughout event
- ❖ Prominent display of sponsor logo on agency website & logo banner posted on agency campus, e-newsletter, social media postings (over 8,000 followers/connections)



## \$750 "Beer Knees, Cat's Meow & Ant's Pants"



- ❖ Reserved seating for 2 with table recognition
- ❖ One Corporate Brick (4" x 8") with company name or in memorial on campus walkway
- ❖ Recognition on all event marketing materials including: event page, invitations, program, flyer. Special recognition on event signage and throughout event
- ❖ Prominent display of sponsor logo on agency website & logo banner posted on agency campus, e-newsletter, social media postings (over 8,000 followers/connections)

## Daddy War Bucks

Don't see a size that fits? Help meet program needs with a donation of any amount!

- ❖ Recognition on program and throughout event
- ❖ Prominent display of sponsor logo on agency website & logo banner posted on agency campus, e-newsletter, social media postings (over 8,000 followers/connections)



## Be a Do-Gooder Donor



If sponsorship is not an option, please consider donation of goods or services for our raffle and auctions.

- ❖ Recognition on event program and agency website

## What a Great Marketing Opportunity! Care Van advertising is included with many Sponsorships



Each year our Care Vans provide over 5,000 rides to seniors and disabled adults all around Fallbrook, Rainbow, Bonsall, De Luz and South Temecula. With a combined population of 57,000 residents, plus the thousands of cars on the 15 freeway, we know that our vans get seen by a lot of potential customers. So double check your sponsorship package and make sure you aren't missing this great opportunity.

## Thank you for being, well, just berries and sponsoring Gangsters & Molls.

Please complete and return the enclosed Sponsorship Reply.

We try our best to provide a great value to our sponsorship packages throughout the year because we are so appreciative to the businesses and individuals who support us. We hope you feel tops for investing in the future of our local seniors by supporting the Foundation for Senior Care.

For questions, please contact Theresa Geracitano (aka The Italian Cookie) at  
760-723-7570 or [tgeracitano@foundationforseniorcare.org](mailto:tgeracitano@foundationforseniorcare.org)

# Gangsters & Molls



**Yes, We Want to be an Event Partner!**

Select sponsor level:

- The Real McCoy* - \$10,000
- Bootlegger* - \$5,000
- Bees Knees, Cat's Meow & Ant's Pants* - \$750
- Daddy War Bucks* - donation amount \_\_\_\_\_
- The Big Cheese* - \$8,500
- Goon Squad* - \$2,000

Company/Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: (\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_

City/State: \_\_\_\_\_ Zip: \_\_\_\_\_

Credit Card Number: \_\_\_\_\_

Expiration Date: \_\_\_\_\_ CVV Code: \_\_\_\_\_ Billing zip code: \_\_\_\_\_

Name on Card: \_\_\_\_\_

Check is enclosed: \_\_\_\_\_

**Yes, I would like to *Be a Do-Gooder Donor* and offer a donation of goods or services!**

Description: \_\_\_\_\_

Please mail form and payment to:  
Foundation for Senior Care  
PO Box 2155, Fallbrook, CA 92088  
(760) 723-7570  
[www.FoundationForSeniorCare.org](http://www.FoundationForSeniorCare.org)

**For questions, please contact Theresa Geracitano (aka *The Italian Cookie*) at  
760-723-7570 or [tgeracitano@foundationforseniorcare.org](mailto:tgeracitano@foundationforseniorcare.org)**

Foundation for Senior Care is a tax exempt, 501 (c)(3) nonprofit charitable organization.  
Your donation is tax-deductible to the extent allowable by the IRS.

**Tax ID 95-3389263**

## **DISCUSSION/ACTION ITEMS**

**DISCUSSION/ACTION ITEMS**  
County Requirement for Street Improvements

## Memo

To: Board of Directors

From: Bobbi Palmer, MBA, MSW  
Executive Director *BP*

Date: August 4, 2017

Re: Discussion /Action Item F1 – County Requirement  
for Street Improvements

There are several components requiring approval in order for the Purchase and Sale Agreement with Crestwood Behavioral Health, Inc. to close escrow. Since the 1989 Lien against the hospital property is still being considered by the County, by taking the following actions the County of San Diego will have assurance that their requirements will be met.

- Establishment of an Escrow Account in an amount satisfactory to the County of San Diego.
- Approval of an RFP for Design and Construction for the Required Street Improvements.

Attached is a copy of the 1989 Lien for your reference.



0604

89 413791

Recorded Request of  
Department of Public Works

RECORDED IN  
OFFICIAL RECORDS  
OF SAN DIEGO COUNTY, CA.

89 AUG -3 PM 3:07

VERA L. LYLE  
COUNTY RECORDER

RECORDED AS A BENEFIT TO  
COUNTY OF SAN DIEGO

When recorded, return to:

Department of Public Works  
Mail Station 0336  
Attn: Charles E. Moore

NO FEE

Recorded Request of  
Department of Public Works      Space above for Recorder's Use Only

Assessor's Parcel	AGREEMENT FOR IMPROVEMENTS	
No. 103-246-40	IN PUBLIC RIGHT OF WAY	P87-050(UY3533)
103-246-41	MAJOR USE PERMIT	E. Elder Street
103-246-42	<u>(LIEN CONTRACT)</u>	Fallbrook
103-246-50		
105-811-11		

This AGREEMENT executed this 21st day of March, 1989,  
by and between FALLBROOK HOSPITAL DISTRICT, a political subdivi-  
sion, 624 E. Elder Street, Fallbrook, CA 92028 hereinafter called  
the Owner, and the COUNTY OF SAN DIEGO, a political subdivision of  
the State of California, hereinafter called the County, is as  
follows:

WITNESSETH:

WHEREAS, the Owner owns property described as: see attached  
legal description, and

WHEREAS, the Owner has applied to the County for a Major Use  
Permit to allow for an additional 4,300 square feet to the  
existing hospital, and

WHEREAS, said Major Use Permit has been conditionally  
approved, and

WHEREAS, the property is adjacent to an incomplete street, and

CCSF 84.76

-1-

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OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER 2

WHEREAS, the improvement will generate more traffic and the Owner is required to provide the right of way and/or improvements in accordance with standards specified in Chapter 5 of Division 1 Title 5 of the San Diego County Code, and

WHEREAS, pursuant to Chapter 5 of Division 1 of Title 5 of the San Diego County Code, the Director, Department of Public Works has recommended that construction of those improvements required by the County to be constructed by the owner be postponed and that the Owner be required to execute an agreement to construct said improvements in the future and to grant a lien to the County upon said property to secure the cost of construction of said future improvements, and

WHEREAS, the Owner is agreeable to the execution of such an agreement:

NOW THEREFORE, IT IS AGREED by and between the parties hereto as follows:

FIRST: The County agrees to accept the dedications, if any, and upon the completion of the improvements required herein to the satisfaction of the Director, Department of Public Works, agrees to dedicate said improvements to the public.

SECOND: The Owner, in lieu of making the improvements specified herein, and required by P87-050 agrees, covenants, and promises that he will install, construct, or cause to be installed or constructed the improvements herein set forth at a time satisfactory to the County provided, however, that the Owner shall

OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER 2

not be required to complete said improvements before February 1, 1991 or within such further period of time as is hereafter specified by the County; provided further that upon the happening of either of the following occurrences said improvements may, at the sole election of the County, be required to be completed sooner than February 1, 1991 or such extended period of time which may have been specified by the County:

(a) When the Board of Supervisors of the County of San Diego has initiated assessment proceedings over an area between intersecting streets on both sides of the street upon which the property herein described has frontage; or

(b) When owners of more than 60% of the frontage, between intersecting streets on both sides of the street upon which the property herein described has frontage, have petitioned the County to form an improvement district for the improvement of said streets and the County initiates such proceedings.

Such improvements shall be made without cost or expense to the County. The County estimates that the cost of construction of said improvements at the time of signing of this Agreement is \$23,100.00. The Owner hereby acknowledges that said cost is a reasonable estimate of construction costs at this time and that the actual cost of said improvements at some time in the future may exceed this estimate; and the Owner hereby agrees that his obligation under this Agreement extends to the actual cost of construction of said improvements notwithstanding it may exceed such estimate.

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OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER 2

THIRD: That for the faithful performance of the promises and covenants herein contained the Owner hereby grants to the County of San Diego a lien upon the property herein described, and in the event the Owner, his successors, heirs, assigns, or transferees fail to install and construct said improvements in the manner and within the time specified herein, he agrees that the County may do all of the following:

(a) Install and construct said improvements by contract or otherwise, and grant permission to the County or its contractor and his employees to enter upon any portion or portions of the property reasonably necessary for said construction, and the entire cost and expense of said improvements shall be charged against said property. Said cost and expense shall be payable by said Owner, his successors, heirs, assigns or transferees, immediately upon completion of said improvements, and in the event the same is not paid within thirty (30) days from said completion the County may foreclose said lien as provided by law for the foreclosure of mortgages, and the Owner agrees that the amount of said lien shall include reasonable attorney's fees which shall be taxed as a cost in any suit for such foreclosure.

(b) Direct the Director, Department of Public Works to estimate the cost of the work required to complete said improvements and foreclose said lien in said amount.

(c) Foreclose said lien as a mortgage.

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OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER 2

'0608

(d) Pursue any other remedy, legal or equitable by law for the foreclosure of a lien and the Owner, his heirs, successors, assigns and transferees shall pay reasonable attorney's fees to be taxed as a cost in said proceedings.

FOURTH: That it is agreed that anything herein contained to the contrary notwithstanding, the promises and covenants made herein shall not be binding upon the holders, mortgagees, or beneficiaries of any purchase money mortgage or trust deed, for value which has been or may in the future be executed by the Owner, his heirs, successors, representatives, assigns, or transferees, and the lien hereby created shall be and is hereby subordinated to and declared to be inferior and subsequent in lien to the lien of any such purchase money mortgage or trust deed. The lien hereby created shall likewise be of no force or effect against any owner whose title to the property herein described is acquired by or as a result of a foreclosure or trustee's sale of any such first mortgage or first trust deed.

FIFTH: That at any time during the period herein provided, the Owner, his heirs, successors, representatives, assigns, or transferees, may place a cash deposit or post a form of surety satisfactory to the County to charge said surety with the cost of said improvements, the amount of security to be the estimated cost of improvements, as ascertained by the Director, Department of Public Works and that upon deposit of said cash or posting of said surety the County agrees to release the property, or any portion

OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER 2

of it under single ownership, from the provisions of this Agreement, and to execute any necessary release to enable the Owner, his heirs, successors, representatives, assigns, or his transferees to clear the record title of the property so released of the lien herein imposed.

SIXTH: The improvements required are as follows:

1. The Owner will upon execution of this Agreement offer for dedication free and clear of all encumbrances for roadway purposes land described as 36 feet from centerline for Alvarado Street, 28 feet from centerline for Brandon Road and 30 feet from centerline from Elder Street, plus slope rights and drainage easements.

2. The Owner will cause to be constructed, in accordance with San Diego Regional Standards, at his sole cost and expense, the following improvements:

- a. Curb and gutters, 494 lineal feet.
- b. Sidewalk: 1,960 square feet, 5 feet wide.
- c. 1 driveway, 510 square feet.
- d. Roadways: ( $\frac{1}{2}$  width 30 feet from centerline)
  - (1) Approximately 1,453 lineal feet on Elder Street.
- e. Other:
  - (1) Staking & Engineering.
  - (2) 40 cubic yards excavation.
  - (3) 1 street lighting.
  - (4) 10 lineal feet A.C. dike taper.

OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER 2

10610

- (5) 500 lineal feet sawcut.
- (6) 250 square feet A.C. pavement removal.
- (7) 5 cubic yards import (fill).
- (8) Construction Inspection.
- (9) Soils & Lab Inspection.

OWNER:

ACKNOWLEDGED

FALLBROOK HOSPITAL DISTRICT,  
a political subdivision

Director, Department of  
Public Works

By Don N. Larkin  
Don N. Larkin, CEO

By Albert J. Vidano  
Albert J. Vidano, VP

ACKNOWLEDGED:

By Charles E. Moore  
Director, Department of  
Public Works

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OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER

2

0611

(Corporation)  
STATE OF CALIFORNIA  
COUNTY OF San Diego } SS.

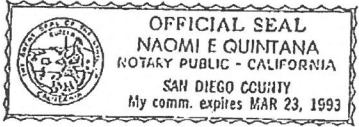
On this 18th day of July, in the year 1989, before me, the undersigned,  
a Notary Public in and for said State, personally appeared Don N. Larkin  
(personally known to me) (proved to me on the basis of satisfactory evidence) to be the CEO  
President, and Albert J. Vidano

(personally known to me) (proved to me on the basis of  
satisfactory evidence) to be the VP  
Secretary of the corporation that executed the within  
Instrument on behalf of the corporation therein named,  
and acknowledged to me that such corporation executed the  
within Instrument pursuant to its by-laws or a resolution  
of its board of directors.

WITNESS my hand and official seal.

Signature Naomi E. Quintana

STAPLE HERE



(This area for official notarial seal)

DPW Form 180 (7/82)

OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER 2





0613

APN 103-246-40

LEGAL DESCRIPTION

PARCEL 1:

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 9 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT HEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 24; THENCE RUNNING NORTH ALONG THE EAST LINE OF SAID SECTION 24, A DISTANCE OF 635.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE WEST ON A LINE PARALLEL WITH THE CENTER LINE OF ALVARADO STREET OF WEST FALLBROOK PRODUCED EAST 100.00 FEET TO A POINT IN THE EAST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO PETER C. JACOBY, DATED OCTOBER 23, 1924, AND RECORDED IN BOOK 1053, PAGE 44 IN THE COUNTY RECORDER'S OFFICE; THENCE SOUTH ALONG THE EAST LINE OF SAID TRACT, BEING ON A LINE PARALLEL WITH THE SAID EAST LINE OF SAID SECTION 24, A DISTANCE OF 150.00 FEET TO THE SOUTHEAST CORNER OF SAID JACOBY TRACT; THENCE EASTERLY ALONG THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LAND 100.00 FEET TO THE EAST LINE OF SAID SECTION; THENCE NORTHERLY ALONG SAID EASTERLY LINE TO THE POINT OF BEGINNING.

PARCEL 2:

AN EASEMENT FOR DRIVEWAY AND UNDERGROUND UTILITY PURPOSES OVER, UNDER, ALONG AND ACROSS THE SOUTHERLY 15.00 FEET OF ALL THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 9 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE CENTER OF ALVARADO STREET, WEST FALLBROOK, PRODUCED EAST THAT IS DISTANT 660.00 FEET NORTH, MEASURED ON THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 24 AND 100.00 FEET WEST OF THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER OF SAID SECTION 24; THENCE SOUTH AND PARALLEL WITH THE EAST LINE OF SAID SECTION 24, 175.00 FEET TO A POINT; THENCE WEST 75.00 FEET TO THE EASTERLY LINE OF THAT CERTAIN COUNTY ROAD AS NOW LOCATED AND ESTABLISHED; THENCE NORTH ALONG THE EASTERLY BOUNDARY LINE OF THE AFORESAID COUNTY ROAD, A DISTANCE OF 175.00 FEET TO THE CENTER LINE OF ALVARADO STREET OF WEST FALLBROOK, PRODUCED EAST; THENCE EAST ALONG THE CENTER LINE OF SAID ALVARADO STREET OF WEST FALLBROOK A DISTANCE OF 75.00 FEET TO THE POINT OF BEGINNING.

OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER 2

0614

APN 103-246-41  
103-246-42

LEGAL DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 9 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED JUNE 11, 1880, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 24; THENCE RUNNING NORTH 60° 20'15" EAST ALONG THE EAST LINE OF SAID SECTION 24, A DISTANCE OF 318.07 FEET TO THE TRUE POINT OF BEGINNING AND THE NORTHWEST CORNER OF THE SOUTH HALF OF LOT 5 OF SHIPLEY TRACT OF WEST FALLBROOK, ACCORDING TO MAP THEREOF NO. 132 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, AUGUST 22, 1887; THENCE CONTINUING ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF NORTHEAST QUARTER, NORTH 00° 20'15" EAST, 166.93 FEET TO THE INTERSECTION OF SAID EAST LINE WITH THE EAST PROLONGATION OF THE SOUTH LINE OF THE TRACT OF LAND DESCRIBED IN DEED TO PETER C. JACOBY RECORDED IN BOOK 1053, PAGE 44 IN THE OFFICE OF THE COUNTY RECORDER; THENCE PARALLEL WITH THE CENTER LINE OF ALVARADO STREET AND ALONG SAID EASTERLY PROLONGATION TO AND ALONG THE SOUTH LINE OF SAID LAND OF JACOBY NORTH 89°04'45" WEST, 175.24 FEET TO THE SOUTHWEST CORNER OF SAID LAND OF JACOBY, SAID CORNER BEING A POINT IN THE WEST BOUNDARY OF THE EAST 10.00 FEET OF THE COUNTY ROAD KNOWN AS ROAD SURVEY 338, AS SHOWN BY PLAT FILED IN THE OFFICE OF THE COUNTY SURVEYOR OF SAN DIEGO COUNTY (SAID EAST 10.00 FEET OF SAID ROAD HAVING BEEN ABANDONED JANUARY 5, 1914 BY ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY) SAID WEST BOUNDARY BEING ALSO THE EAST BOUNDARY OF THE REMAINING PORTION OF THE AFORESAID COUNTY ROAD, BEING ON A LINE PARALLEL WITH THE SAID EAST LINE OF SAID SECTION, SOUTH 00°20'15" WEST, 166.92 FEET TO THE NORTHWEST CORNER OF THE TRACT OF LAND DESCRIBED IN DEED TO THE FALLBROOK HOSPITAL DISTRICT, RECORDED IN BOOK 7543, PAGE 61 OF OFFICIAL RECORDS; THENCE ALONG THE NORTH LINE OF SAID LAND OF FALLBROOK HOSPITAL DISTRICT, SOUTH 89°08'15" EAST, 155.00 FEET, MORE OR LESS TO THE NORTHEAST CORNER OF SAID LAND; THENCE SOUTH 89°08'15" EAST, 20.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THE NORTHERLY 55.00 FEET THEREOF.

OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER 2

LEGAL DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 9 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED JUNE 11, 1880, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE ALONG THE EAST LINE OF SAID SECTION 24, NORTH 0°20'15" EAST 318.07 FEET TO THE NORTHWEST CORNER OF THE SOUTH HALF OF LOT 5, SHIPLEY TRACT OF WEST FALLBROOK, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA ACCORDING TO MAP THEREOF NO. 132, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 22, 1887; THENCE PARALLEL TO THE SOUTH LINE OF SAID NORTHEAST QUARTER, NORTH 89°08'15" WEST 20.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 89°08'15" WEST 155.00 FEET TO THE WEST BOUNDARY OF THE EAST 10 FEET OF THE COUNTY ROAD KNOWN AS ROAD SURVEY NO. 338, AS SHOWN BY PLAT ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAN DIEGO COUNTY, (SAID EAST 10 FEET OF SAID ROAD HAVING BEEN ABANDONED JANUARY 5, 1914, BY ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY), SAID WEST BOUNDARY BEING ALSO THE EAST BOUNDARY OF THE REMAINING PORTION OF THE AFORESAID COUNTY ROAD, BEING ON A LINE PARALLEL WITH THE SAID EAST LINE OF SAID SECTION 298.07 FEET TO A POINT DISTANT 20 FEET NORTH OF THE SOUTH LINE OF SAID SOUTHEAST QUARTER; THENCE SOUTH 89°08'15" EAST ALONG A LINE PARALLEL WITH AND DISTANT 20 FEET NORTH OF SAID SOUTH LINE 155.00 FEET TO A POINT WHICH IS 20 FEET WEST OF SAID EAST LINE OF SAID SECTION 24; THENCE NORTH 0°20'15" EAST ALONG A LINE PARALLEL WITH AND DISTANT 20 FEET WEST FROM SAID EAST LINE OF SAID SECTION 298.07 FEET TO THE TRUE POINT OF BEGINNING.

RESERVING THEREFROM AN EASEMENT FOR ROAD AND UTILITY PURPOSES OVER THE SOUTHERLY 10 FEET OF THE ABOVE DESCRIBED PROPERTY.

OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER 2

0616

APN 105-811-11

LEGAL DESCRIPTION

PARCEL 1:

THE NORTHERLY 48.09 FEET OF THE SOUTHERLY 168.09 FEET OF THE  
EASTERLY 75.00 FEET OF THE WESTERLY 325.00 FEET OF THE NORTH HALF  
OF LOT 5 OF SHIPLEY TRACT OF WEST FALLBROOK, IN THE COUNTY OF SAN  
DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 132,  
FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY  
AUGUST 22, 1887.

PARCEL 2:

THE WESTERLY 303.06 FEET OF THE NORTH HALF OF LOT 5 OF SHIPLEY  
TRACT OF WEST FALLBROOK, IN THE COUNTY OF SAN DIEGO, STATE OF  
CALIFORNIA, ACCORDING TO MAP THEREOF NO. 132, FILED IN THE OFFICE  
OF THE COUNTY RECORDER OF SAN DIEGO COUNTY AUGUST 22, 1887;  
EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 253.06 FEET LYING  
NORTHERLY OF THE NORTHERLY LINE OF THE SOUTHERLY 120.00 FEET.

OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER 2

## **DISCUSSION/ACTION ITEMS**

### Second Amendment to Purchase and Sale Agreement

**DISCUSSION/ACTION ITEMS**

Consideration of Approval of 2017-2018 Budget

**FALLBROOK REGIONAL HEALTH DISTRICT**  
DRAFT BUDGET FOR JULY 1, 2017 THROUGH JUNE 30, 2018

Income	Proposed Budget 2017-18	Actual 2016-17 Figures	Variance
402 - Property Tax Revenue	\$1,800,000.00	\$1,793,446.48	\$6,553.52
403 - Interest / Dividends	\$60,000.00	\$59,022.90	\$977.10
406 - Unearned Inc (Loss) - Cal Trust			
<b>Total 400 - District</b>	<b>\$1,860,000.00</b>	<b>\$1,852,469.38</b>	<b>\$7,530.62</b>
460 - Lease Income			
460.01 - A+ Urgent Care	\$57,600.00	\$57,600.00	\$0.00
<b>Total Income</b>	<b>\$1,917,600.00</b>	<b>\$1,910,069.38</b>	<b>\$7,530.62</b>
<b>Expenses</b>			
500 - Administrative Expenses			
500.36 - Accrued Vacation & Sick Time	\$18,000.00	\$17,870.00	\$130.00
500.10 - Salaries	\$260,000.00	\$210,616.75	\$49,383.25
500.12 - Payroll Taxes	\$20,000.00	\$15,454.33	\$4,545.67
500.14 - W/C Insurance	\$1,825.00	\$1,633.08	\$191.92
500.15 - Employee Health & Welfare	\$12,500.00	\$12,222.21	\$277.79
500.16 - Board Stipends	\$18,000.00	\$16,300.00	\$1,700.00
500.17 - Education & Conferences	\$17,500.00	\$15,824.09	\$1,675.91
500.18 - Dues & Subscriptions	\$15,500.00	\$15,455.01	\$44.99
500.19 - Insurance - General	\$15,000.00	\$42,813.14	(\$27,813.14)
500.20 - Independent Accounting Services	\$10,200.00	\$10,200.00	\$0.00
500.21 - Annual Independent Audit	\$8,600.00	\$8,600.00	\$0.00
500.23 - General Counsel	\$90,000.00	\$88,420.50	\$1,579.50
500.25 - Office Expense			
- 01 - Communications	\$4,000.00	\$3,728.33	\$271.67
- 02 - IT and Website Services	\$6,000.00	\$5,485.76	\$514.24
- 03 - Refreshments	\$6,500.00	\$5,631.34	\$868.66
- 04 - Office Expenses	\$13,000.00	\$10,867.87	\$2,132.13
- 05 - Admin Fees	\$0.00	\$70.05	(\$70.05)
- 06 - Independent Contract Services	\$60,000.00	\$36,565.57	\$23,434.43
500.27 - Depreciation	\$1,200.00	\$563.97	\$636.03
500.29 - District Promotions & Publications	\$22,000.00	\$15,824.62	\$6,175.38
500.32 - Consultant Fees	\$132,750.00	\$82,737.78	\$50,012.22
500.33 - Copier Lease	\$10,000.00	\$9,698.31	\$301.69
500.40 - Video Intercom	\$0.00	See Acct. 590.05	See Acct. 590.05
500.45 - Community Garden	\$10,000.00	N/A	N/A
580.01 - General Election	\$0.00	\$308.65	(\$308.65)
<b>Total 500 - Administrative Expenses</b>	<b>\$752,575.00</b>	<b>\$626,891.36</b>	<b>\$125,683.64</b>
<b>590 - Management &amp; Maintenance</b>			
590.01 - Building Engineer	\$0.00	\$89,142.14	(\$89,142.14)
590.02 - Gas & Electric	\$7,500.00	\$55,716.28	(\$48,216.28)
590.03 - Water	\$6,000.00	\$27,386.21	(\$21,386.21)
590.04 - Waste Management	\$425.00	\$1,529.40	(\$1,104.40)
590.05 - Security	\$17,000.00	\$13,212.67	\$3,787.33
590.06 - Landscape - Grounds Environment	\$12,000.00	\$20,413.28	(\$8,413.28)
590.07 - Custodial Services	\$7,000.00	\$4,155.00	\$2,845.00
590.08 - Elevator	\$2,000.00	\$2,704.68	(\$704.68)
590.09 - Vehicle Expense	\$300.00	\$407.62	(\$107.62)
590.10 - Maintenance Services & Repairs	\$3,600.00	\$3,618.01	(\$18.01)
590.11 - Medical Record Store & Service	\$41,000.00	\$41,353.25	(\$353.25)
590.12 - Fire Alarm System	\$2,200.00	\$2,861.87	(\$661.87)
590.13 - Renovation/Improvements	\$50,000.00	\$2,500.00	\$47,500.00
<b>Total 590 - Management &amp; Maintenance</b>	<b>\$149,025.00</b>	<b>\$265,000.41</b>	<b>(\$115,975.41)</b>
<b>600 - Community Health Contracts</b>	<b>\$858,712.00</b>	<b>\$681,186.00</b>	<b>\$177,526.00</b>
<b>800 - District Direct Care Services (A+ Urgent Care)</b>	<b>\$0.00</b>	<b>\$99,000.00</b>	<b>(\$99,000.00)</b>
<b>Total Expenses</b>	<b>\$1,760,312.00</b>	<b>\$1,672,077.77</b>	<b>\$88,234.23</b>
<b>Net Ordinary Income</b>	<b>\$157,288.00</b>	<b>\$237,991.61</b>	<b>(\$80,703.61)</b>



**Comments:**

Salaries include P/T hire for Community Health Outreach position

Independent Accounting Services consist of regular monthly Accountant fees

Independent Contract Services includes P/T hire for Community Garden

Consultant Fees include Centraforce (\$60,000), Galvanized Strategies (\$48,000), Sun Realty (\$12,000),  
and Add'l. Accountant Services (\$12,000)

Custodial Services and Renovation Improvements consist of the Community Room Project