



Executive Officer's Report

To: Commissioners
Maria Nava-Froelich, Chair (City)
Javier Moreno, Vice-Chair (City)
Michael W. Kelley (County)
Jesus E. Escobar (County)
Vacant West (Public)

Alternate Commissioners
Robert Amparano (City)
John Hawk (County)
Jose Landeros (Public)

From: Paula Graf, Executive Officer

A handwritten signature in black ink, appearing to read "Paula Graf", is written over the printed name of the Executive Officer.

Item #: 11

Subject: **Pioneers Memorial Healthcare District Proposed Expansion**

CONTINUED FROM NOVEMBER 16, 2023 HEARING: Public Hearing and related action to consider the adoption of a Negative Declaration of Environmental Impacts (ND), to consider and adopt a fiscal impact study to determine a proposed county-wide tax amount, and the approval/denial for the expansion of the Pioneers Memorial Healthcare District (PMHD) to expand its current boundary to cover the entire County of Imperial, or a substantial portion thereof, to include, concurrent therewith, the dissolution of the Heffernan Memorial Healthcare District. Also, to include directions to the Board of Supervisors to schedule during the next regular election a measure to add a tax to all parcels of land within the County that are allowed to be taxed.

Date: March 28, 2024

Time: 09:00 a.m.

Location: El Centro City Council Chambers
1275 Main Street, El Centro, CA 92243

Recommendation by the Executive Officer

- Option #1:** Deny the Expansion of the Pioneer's Memorial Healthcare District.
- Option #2:** Approve the Expansion of the Pioneers Memorial Healthcare District to encompass the entire County of Imperial.
- Option #3:** Continue the hearing to the date specified by the Commission.

Report

The following information was presented to your Commission at the November 16, 2023, public hearing. After discussion and input from the public and various stakeholders, the public hearing was continued to March 28, 2024, to allow Pioneer's Memorial Healthcare District, Heffernan Memorial Healthcare District, and El Centro Regional Medical Center an opportunity to develop a program or solution that would be presented at the March meeting.

This report includes an analysis of the proposed application and several options for your consideration.

Application

On January 24, 2023, the Pioneers Memorial Healthcare District filed a Resolution of Application to expand their district to encompass the entire County of Imperial or a substantial portion thereof and to include a new governance structure.

Initial Analysis

On February 2nd, 2023, LAFCO hosted a meeting between Pioneers Memorial Health Care District (PMHD), Heffernan Memorial Health Care District (HMHD), and El Centro Regional Medical (ECRMC) representatives as well as Commissioner Ryan Kelly and staff to discuss the possible formation of a "County Wide Health Care District."

At this meeting, staff explained the process that LAFCO would follow to form a county-wide healthcare district, be it an expansion of an existing district or the formation of a new district. Staff emphasized that for this process, one of the first steps would be to perform a "fiscal" analysis of what the future district would need in terms of financial funding for it to be capable of operating. This did not include building a new hospital, only forming a district that would operate both the PMHD and ECRMC facilities under one management structure.

The process began with an evaluation of whether the entire county should be the new boundary or whether it might be necessary to eliminate the boundary of the City of El Centro. The reason for this was based on several factors. First and foremost, ECRMC is a city-owned hospital and not a special district; therefore, LAFCO could not require it to be part of the expanded district. Second, the City of El Centro indicated they would not cooperate with LAFCO and might not transfer, sell, or otherwise allow the ECRMC to be part of the expanded PMHD. Third, to evaluate within the fiscal analysis the potential that the expanded PMHD might or might not include the transfer of ECRMC, LAFCO needed to look at both options. Fourth, to determine a potential tax, we also needed to look at the full county and the county minus the City of El Centro. Once the County Board of Supervisors approved a \$200,000 (not to exceed) grant to support the fiscal analysis) LAFCO retained the services of BAE Urban Economics to complete the analysis.

CEQA Initial Study & Negative Declaration

LAFCO also determined that the application may be a "project" under CEQA and began the analysis. An Initial Study was prepared for the project, and a determination was made to prepare a Negative Declaration. On May 25, 2023, Imperial LAFCO conducted a public hearing to review the Initial Study #23-01 and to solicit public input. The Commission then directed the preparation & circulation of a Negative Declaration of Environmental impacts for public comment before the Commission hearing the Project. On October 10, 2023, Imperial LAFCO circulated a Notice of Intent to adopt a Negative Declaration in the following newspaper(s), Calexico Chronicle, Desert Review, Holtville Tribune, and Imperial Valley Press, and distributed to the agencies listed in the attached ND and on the LAFCO website at www.iclafco.com.

Comments Received

The comment period for the proposed Negative Declaration concluded on October 31, 2023. As of that date, Imperial LAFCO received the following comment letters:

1. City of El Centro
2. Imperial County Air Pollution Control District

Proposed Tax

Whether or not a tax is necessary to make the expanded district a fiscally viable entity required a comprehensive fiscal analysis, which BAE Urban Economics completed. A copy of their final report is attached hereto. For LAFCO to approve a new or expanded district, it must make a determination and a finding that the new or expanded district has the financial capacity to function once expanded. The analysis made certain assumptions and used the financial information we obtained from PMHD and ECRMC. Note it was understood that the financial information received from both entities was accurate and factual.

Option #1 Countywide Hospital District

Tax per parcel	
Year 1-6	\$140.44
Year 7-30	\$23.54

The assumptions for a county-wide expansion included ECRMC becoming a part of the expansion as follows:

- The district would negotiate with ECRMC to acquire ECRMC with all assets and all liabilities. (El Centro, through its City Manager, has indicated that as long as the transaction assumes all, the city would not expect to make any money on the deal.)
- If negotiations were successful, the expanded PMHD would manage all facilities.
- The current funding that PMHD received through various sources, including but not limited to Medicare, would remain essentially at the same level. However, based on some information from PMHD, a possible reduction may occur in some of the funding sources. Since those were not quantified, a conservative approach was used to adjust for some anticipated reduction. (Note: the information we were provided from several sources indicated that expanding a health care district would leave most of the current funding mechanisms and levels, as well as contracts, intact. On the other hand, we were also informed that when starting a new district, no such funding could be assumed, and new licensing and other steps could take a significant amount of time, potentially upwards of a year).
- The expanded PMHD would save approximately 25% of the administrative costs that both ECRMC and PMHD are incurring.
- The total number of parcels that would be taxed was obtained from and in consultation with the County Assessor's office, and if the ECRMC transaction were successful, it would include approximately 79,841 taxable parcels

Option #2 Countywide Hospital District Less City of El Centro

Tax per parcel	
Year 1-6	\$214.94
Year 7-30	\$147.89

The assumptions for a county-wide expansion minus the City of El Centro in the event ECRMC chose not to participate in the expansion were as follows:

- The number of taxable parcels would be reduced from 79,841 to 69,600. This would change the bottom line simply because fewer parcels would be taxed.
- The costs for the expanded PMHD would no longer generate the administrative savings that would have been the case by combining the ECRMC and PMHD.
- Another issue arose from the Distressed Hospital Loan Program that PMHD and ECRMC received for 28 million dollars. The loans are payable over 72 months, with an initial 18-month grace period at the beginning of the loan term.

The loans affected the per-parcel tax by having a higher amount for the first seven years and a substantial reduction thereafter.

Summary

On January 24, 2023, the Pioneer's Memorial Healthcare District (PMHD) submitted an application to expand their district to encompass the entire County of Imperial or a substantial portion thereof and to include a new governance structure.

On February 14, 2023, legislation in the form of Assembly Bill 918 was introduced. This bill proposed to create a county-wide healthcare district.

After discussions with PMHD, LAFCO, per statute and PMHD's request, proceeded to process the district's application.

Assembly Bill 918 continued through the legislative process and was ultimately approved by the Governor on October 8, 2023. It included an urgency clause and immediately took effect.

Conclusion

On October 10, 2023, the governor approved Assembly Bill 918, adding Chapter 11 (commencing with Section 34299.5) to Division 23 of the Health and Safety Code, forming the Imperial Valley Healthcare District.

The Imperial Valley Healthcare District has been formed with a full board of directors and legal counsel.

The passage and implementation of Assembly Bill 918 has rendered the district's application moot.

The Pioneer's Memorial Healthcare District will cease to exist by operation of law no later than January 2025, whether or not the application is approved.

Recommendation by the Executive Officer

Option #1: Deny the Expansion of the Pioneer's Memorial Healthcare District.

1. The passage and implementation of Assembly Bill 918 has rendered the district's application moot.
2. The Pioneer's Memorial Healthcare District will cease to exist by operation of law no later than January 2025, whether or not the application is approved.
3. Denial of the application will avoid considerable staff time and expense for the parties in further processing the application for a special district that will no longer exist by early 2025.
4. Denial of the application avoids creating/expanding a special district that would provide the same services within the same boundaries as the Imperial Valley Healthcare District.

Option #2: Approve the Expansion of the Pioneers Memorial Healthcare District to encompass the entire County of Imperial.

1. Certify the Negative Declaration of Environmental Impacts (ND) for the expansion of the Pioneers Memorial Health Care District (PMHD).
2. Accept and approve the Financial Feasibility Study prepared by BAE Urban Economics.
3. Make the finding that the tax to be applied on a county-wide basis in the amount calculated within the Financial Feasibility Study as prepared by BAE Urban Economics is sufficient to provide significant financial support for the expanded district.
4. Make the finding that a tax is necessary to ensure the expanded district has adequate resources to operate the expanded district and to acquire the El Centro Regional Medical Center from the City of El Centro should the City of El Centro and PMHD agree upon mutually acceptable terms for the transfer of the debt and assets from ECRMC to PMHD. Nothing within this condition requires ECRMC/the City of El Centro to transfer its facilities and should such a transfer be made it is entirely voluntary.
5. Approve the expansion of the Pioneers Memorial Health Care District (PMHD) from its current boundary to encompass the entire county of Imperial subject to the following terms and conditions.
 - a. This approval is conditioned on a funding source mechanism to be presented to the voters by a ballot measure during the normal election cycle in November 2024.
 - b. If the voters approve the county-wide tax, then PMHD shall negotiate in good faith with the El Centro Regional Medical Center/the City of El Centro to acquire ECRMC, including all debt and assets. Nothing in this condition requires ECRMC/the City of El Centro to transfer its facilities to the expanded district. If the tax is not approved by the voters, then the expanded PMHD is not obligated or required to pursue negotiations with ECRMC.

- c. The PMHD Board of Directors shall be increased from 5 members to 7 members. Until the two new members can be elected during a normal election, the two new members shall be appointed by the Board of Supervisors. One member shall be a resident of the City of El Centro but shall not be an elected official or a staff member of ECRMC or the City of El Centro. The second member shall be a resident of the City of Calexico and shall not be an elected official or a staff member of the Heffernan Memorial Health Care District.
- d. The expanded 7-member PMHD Board shall, within 12 months, create 7 electoral districts from which the PMHD Board shall be elected. During the next available standard election cycle, three board members shall be up for election, and two years later, the remaining four shall be up for election.
- e. If PMHD expansion occurs subject to the above conditions, then the Heffernan Memorial Health Care District shall be Dissolved. All assets from the Heffernan Memorial Healthcare District (HMHD) shall be transferred to the expanded PMHD. HMHD shall cooperate with PMHD in an orderly transition of its assets.

Option #3: Continue the hearing to the date specified by the Commission.

Exhibits: November 16, 2023 Report & Exhibits

CC: Heffernan Memorial Healthcare District (HMHD)
Pioneers Memorial Healthcare District (PMHD)
El Centro Regional Medical Center (ECRMC)
County of Imperial, CEO & Board of Supervisors
City of El Centro, City Manager
Assembly Member Garcia

Report from
November 16, 2023 Public Hearing



EXECUTIVE OFFICER'S REPORT

COMMISSIONERS

David H. West, Chair [Public]
Maria Nava-Froelich, Vice-Chair [City]
Javier Moreno [City]
Ryan Kelley [County]
Michael W. Kelley [County]

ALTERNATES

Jose Landeros [Public]
Robert Amparano [City]
Jesus E. Escobar [County]

REPORT DATE:

November 6, 2023

FROM:

Jurg Heuberger, Executive Officer
Paula Graf, Assistant Executive Officer

Handwritten signatures in blue ink, including a large signature that appears to be "J. Heuberger" and a smaller signature below it.

HEARING DATE: November 16, 2023

TIME: 09:30 a.m.

AGENDA ITEM #: 9

[9:30] a.m. Public Hearing and related action to consider the adoption of a Negative Declaration of Environmental Impacts (ND), to consider and adopt a fiscal impact study to determine a proposed county-wide tax amount, and the approval/denial for the expansion of the Pioneers Memorial Healthcare District (PMHD) to expand its current boundary to cover the entire County of Imperial, or a substantial portion thereof, to include, concurrent therewith, the dissolution of the Heffernan Memorial Healthcare District. Also, to include directions to the Board of Supervisors to schedule during the next regular election a measure to add a tax to all parcels of land within the County that are allowed to be taxed.

HEARING LOCATION: El Centro City Council Chambers, 1275 Main St.,
El Centro, CA 92243

Recommendation by the Executive Officer (In Summary & Order)

Option 1: Approve the Expansion of the Pioneers Memorial Healthcare District to encompass the entire County of Imperial.

1. Certify the Negative Declaration of Environmental Impacts (ND) for the expansion of the Pioneer's Memorial Health Care District (PMHD).
2. Accept and approve the Financial Feasibility Study as prepared by BAE Urban Economics.
3. Make the finding that the tax to be applied on a county-wide basis in the amount calculated within the Financial Feasibility Study as prepared by BAE Urban Economics is sufficient to provide significant financial support for the expanded district.
4. Make the finding that a tax is necessary to ensure the expanded district has adequate resources to operate the expanded district and to acquire the El Centro Regional Medical Center from the City of El Centro should the City of El Centro and PMHD agree upon mutually acceptable terms for the transfer of the debt and assets from ECRMC to PMHD. Nothing within this condition requires ECRMC/the City of El Centro to transfer its facilities and should such a transfer be made it is entirely voluntary.
5. Approve the expansion of the Pioneers Memorial Health Care District (PMHD) from its current boundary (**Exhibit A**) to encompass the entire county of Imperial (**Exhibit C**) subject to the following terms and conditions.
 - a. This approval is conditioned on a funding source mechanism to be presented to the voters by a ballot measure during the normal election cycle in March 2024.
 - b. If the voters approve the county-wide tax, then PMHD shall negotiate in good faith with the El Centro Regional Medical Center/the City of El Centro to acquire ECRMC, including all debt and assets. Nothing in this condition requires ECRMC/the City of El Centro to transfer its facilities to the expanded district. If the tax is not approved by the voters, then the expanded PMHD is not obligated or required to pursue negotiations with ECRMC.
 - c. The PMHD Board of Directors shall be increased from 5 members to 7 members. Until the two new members can be elected during a normal election, the two new members shall be appointed by the Board of Supervisors. One member shall be a resident of the City of El Centro but shall not be an elected official or a staff member of ECRMC or the City of El Centro. The second member shall be a resident of the City of Calexico and shall not be an elected official or a staff member of the Heffernan Memorial Health Care District.
 - d. The expanded 7-member PMHD Board shall, within 12 months, create 7 electoral districts from which the PMHD Board shall be elected. During the next available standard election cycle, three board members shall be up for election, and two years later, the remaining four shall be up for election.
 - e. If PMHD expansion occurs subject to the above conditions, then the Heffernan Memorial Health Care District shall be Dissolved. All assets from the Heffernan

Memorial Healthcare District (HMHD) shall be transferred to the expanded PMHD. HMHD shall cooperate with PMHD in an orderly transition of its assets.

- f. Make the finding that the expansion of the PMHD is in the best interest of the residents of Imperial County and that the expansion will provide the following benefits:
 - a. Provide an opportunity for an economically viable healthcare district system by creating an opportunity for PMHD and ECRMC to be operated under one management system.
 - b. Provide a fiscally viable healthcare district system through less duplication, greater resources, and better cost recovery options.
 - c. Provide an opportunity to increase various services that currently are not available to the local residents.
 - d. Provides an opportunity if the county-wide tax is approved to improve the structural as well as operational systems at both facilities.
6. Direct that the Imperial County Board of Supervisors place the county-wide tax on the next regular election cycle, currently being March of 2024.

Option 2: Deny the application as requested by the Pioneers Memorial Health Care District and make the appropriate finding(s).

Option 3: Continue the hearing to December 14, 2023.

Report

I. Project Application

On January 24, 2023, the Pioneers Memorial Healthcare District filed a Resolution of Application to expand their district to encompass the entire County of Imperial or a substantial portion thereof and to include a new governance structure. A copy of the application is attached. **EXHIBIT A**

It should be noted that while this procedure started on February 2nd, 2023, LAFCO had to resolve several issues because of legislation introduced in the form of Assembly Bill 918 by Assemblymember Garcia created issues. Chief among these was whether or not the introduction of AB 918 would or could, in the end, stop the processing of the application.

Ultimately, staff determined that the application by PMHD was an expansion of their district and AB 918 was the establishment of an entirely new district; the two actions were not dependent on each other. In fact, whether AB 918 would even pass the legislature was unknown; therefore, the LAFCO process followed the normal steps required under CKH. Additionally, because a Fiscal Impact Analysis needed to be done and because funding for that came from the county, some additional delays were encountered.

II. Location

- | | |
|--|------------------|
| 1. PMHD's Current Service Area Boundary | EXHIBIT B |
| 2. PMHD's Proposed Service Area Boundary (Option #1) | EXHIBIT C |
| 3. PMHD's Proposed Service Area Boundary (Option #2)
<i>(Minus the City of El Centro)</i> | EXHIBIT D |

III. Initial Analysis

On February 2nd, 2023, LAFCO hosted a meeting between Pioneers Memorial Health Care District (PMHD), Heffernan Memorial Health Care District (HMHD), and El Centro Regional Medical (ECRMC) representatives as well as Commissioner Ryan Kelly and staff to discuss the possible formation of a "County Wide Health Care District".

At this meeting, staff explained the process that LAFCO would follow to form a county-wide healthcare district, be it an expansion of an existing district or the formation of a new district. Staff emphasized that for this process one of the first steps would be to perform a "fiscal" analysis of what the future district would need in terms of financial funding in order for it to be capable of operating. This did not include building a new hospital, only the formation of a district that would operate both the PMHD and ECRMC facilities under one management structure.

The process began with an evaluation of whether the entire county should be the new boundary or whether it might be necessary to eliminate the boundary of the City of El Centro. The reason for this was based on several factors.

First and foremost, the ECRMC is a city-owned hospital and not a special district; therefore, LAFCO could not require ECRMC to be a part of the expanded district.

Second, the City of El Centro began to take actions that indicated that they would not cooperate with LAFCO and might also not transfer, sell, or otherwise allow the ECRMC to be part of the expanded PMHD.

Third, in order to evaluate within the fiscal analysis the potential that the expanded PMHD might or might not include the transfer of ECRMC, LAFCO needed to look at both options.

Fourth, in order to determine what a potential tax would be, we also needed to look at both the full county and the county minus the City of El Centro.

Once the County Board of Supervisors approved a \$200,000 (not to exceed) grant to support the fiscal analysis, **(EXHIBIT E)** LAFCO retained the services of BAE Urban Economics to complete the analysis. **(EXHIBIT F)**.

LAFCO also determined that the application may be a “project” under CEQA and began the analysis.

IV. CEQA

Initial Study

An Initial Study was prepared for the project, and a determination was made to prepare a Negative Declaration.

On May 25, 2023, Imperial LAFCO conducted a public hearing to review the Initial Study #23-01 and to solicit public input. The Commission then directed the preparation & circulation of a Negative Declaration of Environmental impacts for public comment prior to the Commission hearing the Project. **EXHIBIT G**

Negative Declaration

EXHIBIT H

On October 10, 2023, Imperial LAFCO circulated a Notice of Intent to adopt a Negative Declaration in the following newspaper(s), Calexico Chronicle, Desert Review, Holtville Tribune, and Imperial Valley Press, and distributed to the agencies listed in the attached ND and on the LAFCO website at www.iclafco.com. **EXHIBIT I**

Comments

The comment period for the proposed Negative Declaration concluded on October 31, 2023. As of that date, Imperial LAFCO received the following comment letters:

1. City of El Centro
2. Imperial County Air Pollution Control District

EXHIBIT J
EXHIBIT K

V. Tax

Whether or not a tax is necessary to make the expanded district a fiscally viable entity required a comprehensive fiscal analysis, which BAE Urban Economics completed.

A copy of their final report is attached hereto.

EXHIBIT L

In order for LAFCO to approve a new or expanded district, it must make a determination and a finding that the new or expanded district has the financial capacity to function once expanded.

The analysis made certain assumptions and used the financial information that we were able to obtain from PMHD and ECRMC. Note it was understood that the financial information received from both entities was accurate and factual.

The assumptions for a county-wide expansion, which included ECRMC becoming a part of the expansion, were as follows:

- The district would negotiate with ECRMC to acquire ECRMC with all assets and all liabilities. (El Centro, through its City Manager, has indicated that as long as the transaction assumes all, the city would not expect to make any money on the deal.)
- If negotiations were successful, then the expanded PMHD would manage all facilities as one.
- The current funding that PMHD received through various sources, including but not limited to Medicare, would remain essentially at the same level. However, based on some information from PMHD, there is a possible reduction that may occur in some of the funding sources. Since those were not quantified, a conservative approach was used to adjust for some anticipated reduction. *(Note: the information we were provided from several sources indicated that an expansion of a health care district would leave intact most of the current funding mechanisms and levels as well as contracts. On the other hand, we were also informed that when starting a new district, no such funding could be assumed, and new licensing, as well as other steps, could take a significant amount of time, potentially upwards of a year).*
- The expanded PMHD would save approximately 25% of the administrative costs that both ECRMC and PMHD are incurring.
- The total number of parcels that would be taxed was obtained from and in consultation with the County Assessor's office, and if the ECRMC transaction were successful, it would include approximately 79,841 taxable parcels.

Option #1 Countywide Hospital District

Tax per parcel

Year 1-6 \$140.44

Year 7-30 \$23.54

The assumptions for a county-wide expansion minus the City of El Centro in the event ECRMC chose not to participate in the expansion were as follows:

- The number of taxable parcels would be reduced from 79,841 to 69,600. This would change the bottom line simply because fewer parcels would be taxed.
- The costs for the expanded PMHD would no longer generate the administrative savings that would have been the case by the combining of the ECRMC and PMHD.

An additional issue that arose is the Distressed Hospital Loan Program that PMHD and ECRMC received in the amount of \$ 28 million dollars. The loans are payable over 72 months, with an initial 18-month grace period at the beginning of the loan term.

The loans affected the per-parcel tax by having a higher amount for the first seven years and then a reduction substantially thereafter.

The estimated tax schedule is as follows and further explained in **EXHIBIT L**.

Option #2 Countywide Hospital District Less City of El Centro

Tax per parcel

Year 1-6	\$214.94
Year 7-30	\$147.89

VI. Conclusion

A county-wide healthcare district has been tried at least twice in years past but failed for various reasons.

This effort commenced with a meeting between all stakeholders in early February, at which time the process was explained to all parties. PMHD subsequently filed an application to proceed with an effort to create this county-wide system.

Rather than cooperate with the PMHD application and LAFCO process, the City of El Centro chose to initiate legislation and not work with the process under the Cortese Knox Hertzberg Reorganization Act.

IC LAFCO made numerous attempts to get all the stakeholders to work together through the process.

The process followed by LAFCO is the EXPANSION of an existing healthcare district. The legislative alternative under AB 918 is not an expansion but rather the creation of an entirely new healthcare district and the dissolution of both PMHD and HMHD.

Neither the LAFCO option nor AB 918 require ECRMC to do anything other than potentially negotiate in good faith with the expanded or new district. Both options, however, provide an opportunity for El Centro to divest itself from owning ECRMC if they choose.

The difference between the LAFCO option and AB 918 are:

- LAFCO is an expansion of an existing district, whereas AB 918 is an entirely new district.
- A fiscal analysis for the expansion has been completed and shows a viable option, while no fiscal analysis has been done for AB 918. The fiscal analysis completed for the LAFCO cannot be relied on or assumed to be the same for AB 918.
- Information provided as to ongoing reimbursements for an expanded district appears to remain generally intact, although some adjustments and potential reductions should be expected. At the same time, it is not clear how reimbursements for a new district under AB 918 would be affected.
- Current contracts held by PMHD under the expansion are expected to continue, perhaps with some minor modifications. Again, it is expected that a new district would have to establish new contracts.

Recommendation by the Executive Officer (In Summary & Order)

Option 1: **Approve the Expansion of the Pioneers Memorial Healthcare District to encompass the entire County of Imperial.**

1. Certify the Negative Declaration of Environmental Impacts (ND) for the expansion of the Pioneer's Memorial Health Care District (PMHD).
2. Accept and approve the Financial Feasibility Study as prepared by BAE Urban Economics.
3. Make the finding that the tax to be applied on a county-wide basis in the amount calculated within the Financial Feasibility Study as prepared by BAE Urban Economics is sufficient to provide significant financial support for the expanded district.
4. Make the finding that a tax is necessary to ensure the expanded district has adequate resources to operate the expanded district and to acquire the El Centro Regional Medical Center from the City of El Centro should the City of El Centro and PMHD agree upon mutually acceptable terms for the transfer of the debt and assets from ECRMC to PMHD. Nothing within this condition requires ECRMC/the City of El Centro to transfer its facilities and should such a transfer be made it is entirely voluntary.
5. Approve the expansion of the Pioneers Memorial Health Care District (PMHD) from its current boundary (**Exhibit A**) to encompass the entire county of Imperial (**Exhibit C**) subject to the following terms and conditions.
 - a. This approval is conditioned on a funding source mechanism to be presented to the voters by a ballot measure during the normal election cycle in March 2024.
 - b. If the voters approve the county-wide tax, then PMHD shall negotiate in good faith with the El Centro Regional Medical Center/the City of El Centro to acquire ECRMC, including all debt and assets. Nothing in this condition requires ECRMC/the City of El Centro to transfer its facilities to the expanded district. If the tax is not approved by the voters, then the expanded PMHD is not obligated or required to pursue negotiations with ECRMC.
 - c. The PMHD Board of Directors shall be increased from 5 members to 7 members. Until the two new members can be elected during a normal election, the two new members shall be appointed by the Board of Supervisors. One member shall be a resident of the City of El Centro but shall not be an elected official or a staff member of ECRMC or the City of El Centro. The second member shall be a resident of the City of Calexico and shall not be an elected official or a staff member of the Heffernan Memorial Health Care District.
 - d. The expanded 7-member PMHD Board shall, within 12 months, create 7 electoral districts from which the PMHD Board shall be elected. During the next available standard election cycle, three board members shall be up for election, and two years later, the remaining four shall be up for election.
 - e. If PMHD expansion occurs subject to the above conditions, then the Heffernan Memorial Health Care District shall be Dissolved. All assets from the Heffernan Memorial Healthcare District (HHMD) shall be transferred to the expanded PMHD. HHMD shall cooperate with PMHD in an orderly transition of its assets.

- f. Make the finding that the expansion of the PMHD is in the best interest of the residents of Imperial County and that the expansion will provide the following benefits:
 - a. Provide an opportunity for an economically viable healthcare district system by creating an opportunity for PMHD and ECRMC to be operated under one management system.
 - b. Provide a fiscally viable healthcare district system through less duplication, greater resources, and better cost recovery options.
 - c. Provide an opportunity to increase various services that currently are not available to the local residents.
 - d. Provides an opportunity if the county-wide tax is approved to improve the structural as well as operational systems at both facilities.

- 6. Direct that the Imperial County Board of Supervisors place the county-wide tax on the next regular election cycle, currently being March of 2024.

Option 2: Deny the application as requested by the Pioneers Memorial Health Care District and make the appropriate finding(s).

Option 3: Continue the hearing to December 14, 2023.

Exhibit A: Resolution of Application
Exhibit B: PMHD Current Service Area Boundary
Exhibit C: PMHD Proposed Service Area Boundary
Exhibit D: PMHD Proposed Service Area Boundary (Minus the City of El Centro)
Exhibit E: Minute Order#23 of the Imperial County Board of Supervisors
Exhibit F: Agreement between LAFCO and Urban BAE Economics
Exhibit G: Initial Study #23-01
Exhibit H: Proposed Negative Declaration
Exhibit I: Notice of Intent to Adopt a Negative Declaration
Exhibit J: Comment on Negative Declaration from the City of El Centro
Exhibit K: Comment on the Negative Declaration from the Imperial County Air Pollution Control District.
Exhibit L: District Expansion Fiscal Analysis by BAE Urban Economics

Heffernan Memorial Healthcare District (HMHD)
Pioneers Memorial Healthcare District (PMHD)
El Centro Regional Medical Center (ECRMC)
County of Imperial, CEO & Board of Supervisors
City of El Centro, City Manager
Assembly Member Garcia

EXHIBIT A

Pioneers Memorial Healthcare District
RESOLUTION NO. 2023-02

RESOLUTION APPROVING A PRELIMINARY APPLICATION TO THE IMPERIAL COUNTY LOCAL AGENCY FORMATION COMMISSION FOR THE POTENTIAL EXPANSION OF THE PIONEERS MEMORIAL HEALTHCARE DISTRICT

WHEREAS, Pioneers Memorial Healthcare District is a healthcare institution in Imperial County and dedicated to improving patient care in the community, and

WHEREAS, Pioneers Memorial Healthcare District and El Centro Regional Medical Center are the only receiving hospitals in Imperial County, and that each agency is experiencing economic challenges, and that each campus is critical to the medical services delivery, and

WHEREAS, Imperial County Citizens are better served by a single Healthcare District System, by delivering efficiencies of scale, by elimination of service duplication, and by maximizing reimbursements for an estimated 45% Medi-Cal patient population, and

WHEREAS, Pioneers Memorial Healthcare District seeks the expansion of the special district boundaries to include all areas of Imperial County, and to prepare a new governance structure of all areas within the new district boundaries of Imperial County, and

NOW, THEREFORE, BE IT RESOLVED, that the Pioneers Memorial Healthcare District Board of Directors, in consideration of the special district expansion, approves the Resolution and pending Imperial County Local Agency Formation Commission application for the expansion of the district.

PASSED, ADOPTED AND APPROVED BY UNANIMOUS VOTE OF THE BOARD THIS 24th DAY OF JANUARY 2023

Catalina Alcantra-Santillan, President, Board of Directors
of the Pioneers Memorial Healthcare District


(Signature)

Certification

I, Aracely Smith, duly appointed and acting secretary to the Board of Directors of Pioneers Memorial Healthcare District, hereby certify that the foregoing is a true and correct copy of Resolution No. 2023-02, adopted by unanimous vote of the Board on January 24, 2023.

Aracely Smith, Clerk of the Board


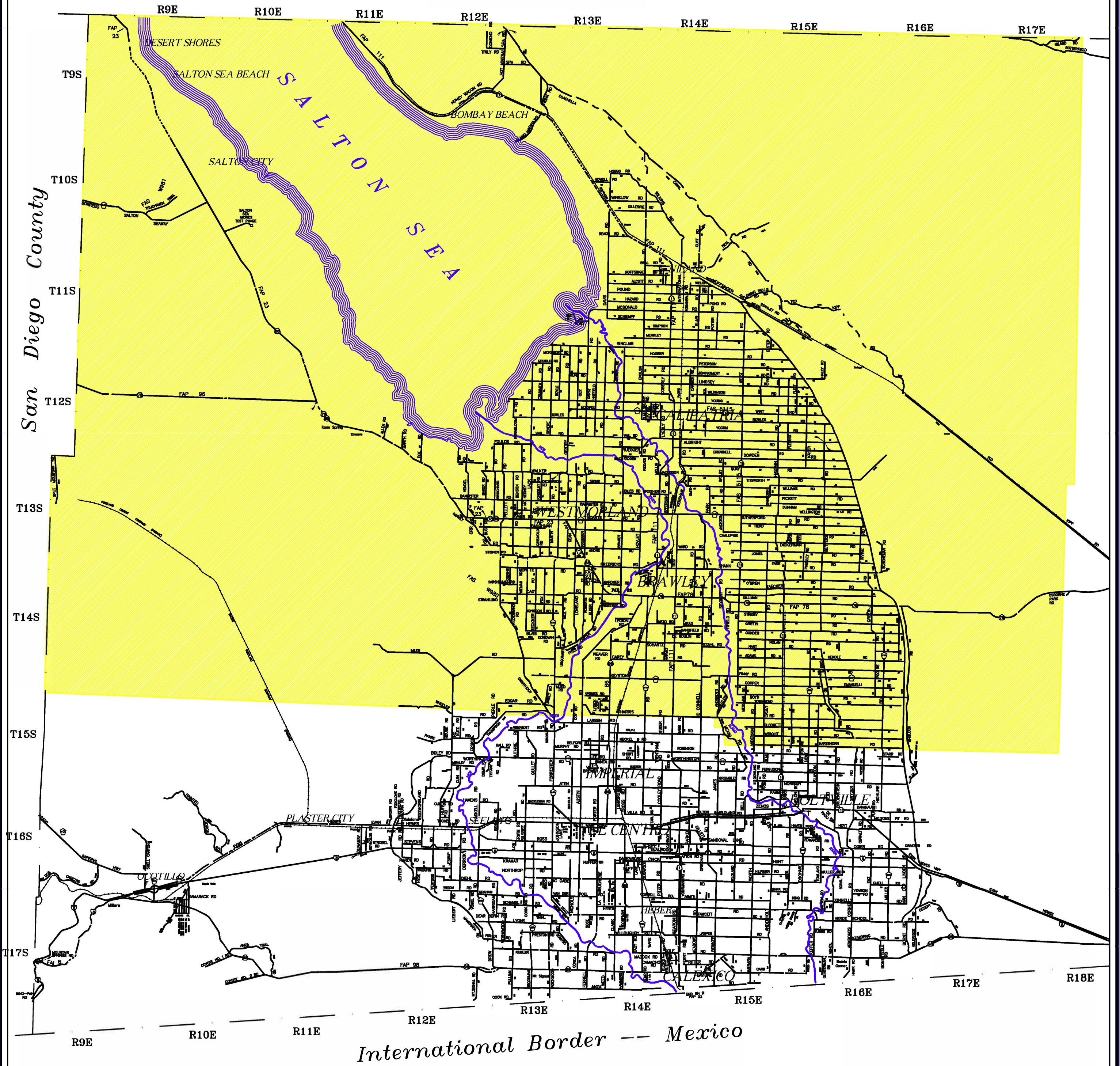
Signature: 
Date: JANUARY 24, 2023

EXHIBIT B

Riverside County



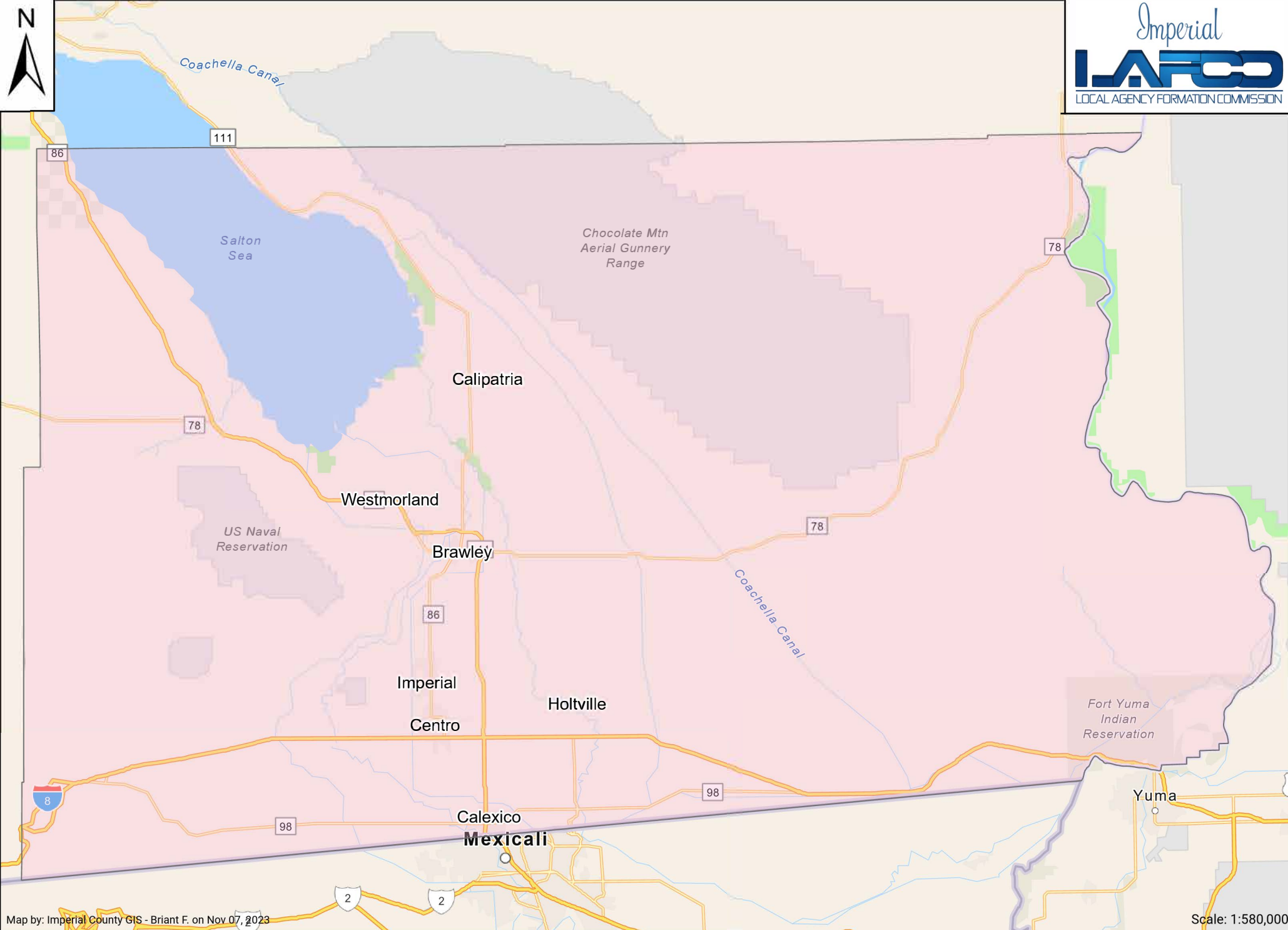
Pioneers Memorial Healthcare District

Imperial County Local Agency Formation Commission
1122 W. State Street, Suite D, El Centro, CA 92243

SOI as of 03/26/15

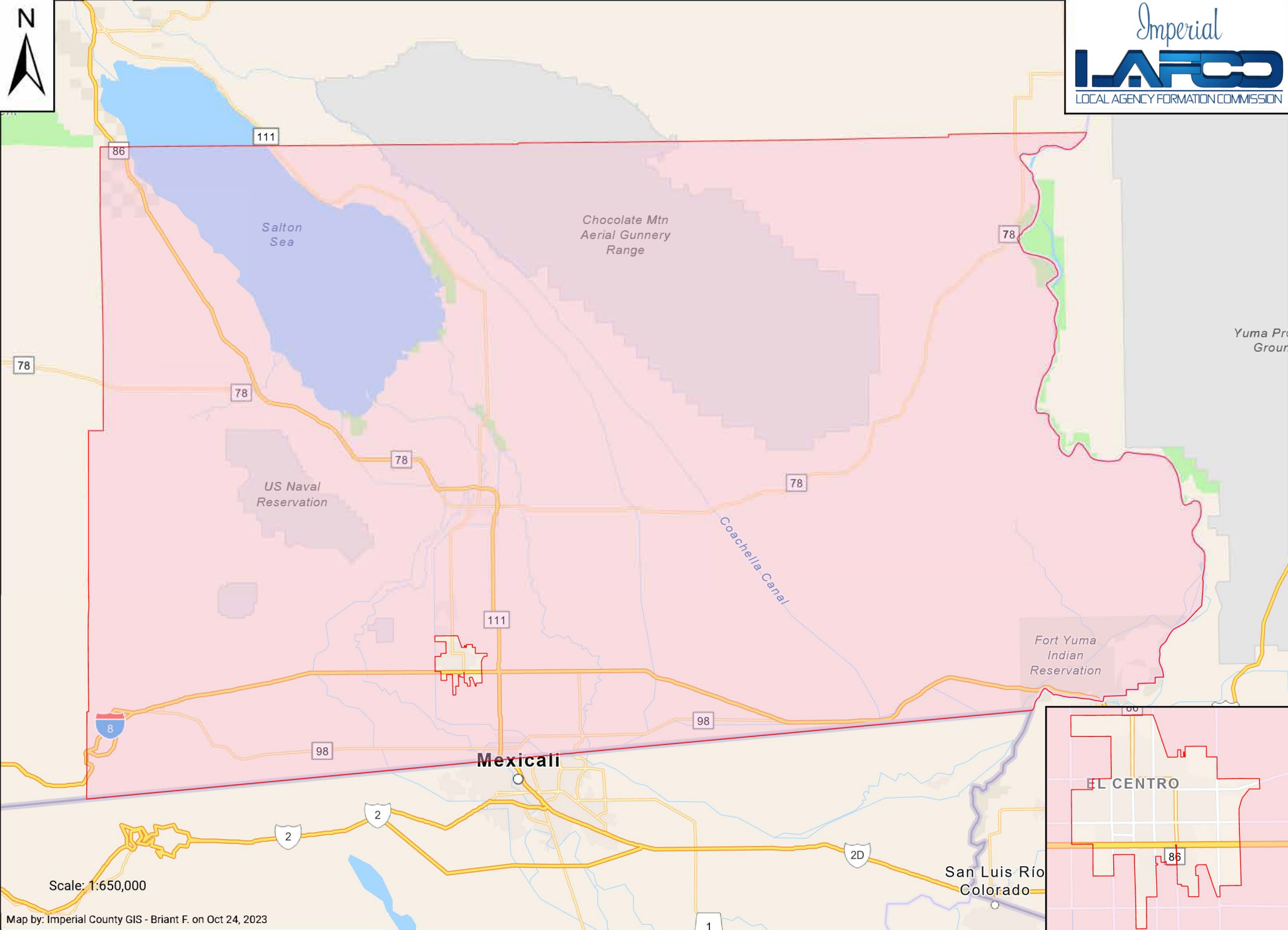


EXHIBIT C



Pioneer's Memorial Healthcare District Proposed Expansion

EXHIBIT D



Map by: Imperial County GIS - Briant F. on Oct 24, 2023

Pioneer's Memorial Healthcare District less City of El Centro

EXHIBIT E

**MINUTE ORDER
OF
IMPERIAL COUNTY
BOARD OF SUPERVISORS**

Date: February 07, 2023	Book: 452	Page: 185	File #: 225.2	M.O.#: 23
Department: EXECUTIVE OFFICE			2nd Page:	

THE BOARD OF SUPERVISORS OF THE COUNTY OF IMPERIAL, STATE OF CALIFORNIA, on a motion by Supervisor : ESCOBAR , second by Supervisor : PLANCARTE and approved by the following roll call vote;

AYES : ESCOBAR, PLANCARTE, M. KELLEY, R. KELLEY, HAWK

NAYES : NONE

ABSTAINED : NONE

EXCUSED OR ABSENT : NONE

Approved Community Benefit Program Grant for Hospital District Feasibility Study in an amount not to exceed \$200,000, and approved Budget Amendment Resolution No. 22-23-075.

Topic: Hospital District Feasibility Study	X-Topic: Community Benefit Program- \$200,000
CC: <input checked="" type="checkbox"/> File <input type="checkbox"/> Behavioral Health <input type="checkbox"/> District Attorney <input type="checkbox"/> Info/Tech <input type="checkbox"/> Public Health <input type="checkbox"/> Other... <input type="checkbox"/> Ag. Comm <input checked="" type="checkbox"/> CEO <input type="checkbox"/> Facilities Manag. <input type="checkbox"/> OET <input type="checkbox"/> Public Works <input type="checkbox"/> Assessor <input type="checkbox"/> County Clerk <input type="checkbox"/> Fire/OES <input type="checkbox"/> Planning <input type="checkbox"/> Sheriff-Coroner <input checked="" type="checkbox"/> Auditor <input type="checkbox"/> County Counsel <input type="checkbox"/> HR - Risk <input type="checkbox"/> Probation <input type="checkbox"/> Social Services	

EXHIBIT F

PROFESSIONAL SERVICES CONTRACT

Support Services for Hospital District Fiscal Evaluation

THIS PROFESSIONAL SERVICES CONTRACT ("Contract") is made at El Centro, California, as of May 15, 2023 by and between the Imperial County Local Agency Formation Commission, ("Imperial LAFCo" or "LAFCo"), and BAE Urban Economics Inc. ("Contractor"), who agree as follows:

1. **Services** Subject to the terms and conditions set forth in this Contract, Contractor shall provide the services described in Exhibit A. Contractor shall provide said services at the time, place, and in the manner specified in Exhibit A.
2. **Payment** LAFCo shall pay Contractor for services rendered pursuant to this Contract at the time and in the amount set forth in Exhibit B. The payments specified in Exhibit B shall be the only payment made to Contractor for services rendered pursuant to this Contract. Contractor shall submit all billings for said services to LAFCo in the manner specified in Exhibit B; or, if no manner be specified in Exhibit B, then according to the usual and customary procedures which Contractor uses for billing clients similar to LAFCo. **The amount of the contract shall not exceed One Hundred and Twenty-Five Thousand Dollars (\$125,000.00).**
3. **Term** This Contract shall commence on May 15, 2023. All services required to be provided by this Contract shall be completed and ready for acceptance no later than the **Contract Termination Date** of: December 31, 2024.
4. **Facilities, Equipment and Other Materials** Contractor shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Contract. LAFCo will be responsible to provide facilities for any required in-person meetings in Imperial County.
5. **Exhibits** All exhibits referred to herein and attached hereto are incorporated herein by this reference.
6. **Electronic Signatures** The parties acknowledge and agree that this Contract may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed or emailed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.
7. **Time for Performance** Time is of the essence. Failure of Contractor to perform any services within the time limits set forth in Exhibit A, or elsewhere in this Contract, shall constitute material breach of this contract. Contractor shall devote such time to the performance of services pursuant to this Contract as may be reasonably necessary for the satisfactory performance of Contractor's obligations pursuant to this Contract. Neither party shall be considered in default of this Contract to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.
8. **Liquidated Damages**
Liquidated Damages are presented as an estimate of an intangible loss to the County. It is a provision that allows for the payment of a specified sum should Contractor be in breach of contract. Liquidated Damages shall apply shall not apply to this contract.

9. **Relationship of Parties**

9.1. **Independent Contractor**

In providing services herein, Contractor, and the agents and employees thereof, shall work in an independent capacity and as an independent contractor and not as agents or employees of LAFCo. Contractor acknowledges that it customarily engages independently in the trade, occupation, or business as that involved in the work required herein. Further, the Parties agree that Contractor shall perform the work required herein free from the control and direction of LAFCo, and that the nature of the work is outside the usual course of LAFCo's business. In performing the work required herein, Contractor shall not be entitled to any employment benefits, Workers' Compensation, or other programs afforded to LAFCo employees. Contractor shall hold LAFCo harmless and indemnify LAFCo against such claim by its agents or employees. LAFCo makes no representation as to the effect of this independent contractor relationship on Contractor's previously earned California Public Employees Retirement System ("CalPERS") retirement benefits, if any, and Contractor specifically assumes the responsibility for making such determination. Contractor shall be responsible for all reports and obligations including but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation and other applicable federal and state taxes.

9.2. **No Agent Authority** Contractor shall have no power to incur any debt, obligation, or liability on behalf of LAFCo or otherwise to act on behalf of LAFCo as an agent. Neither LAFCo nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Contract. Contractor shall not represent that it is, or that any of its agents or employees are, in any manner employees of LAFCo.

9.3. **Indemnification of CalPERS Determination** In the event that Contractor or any employee, agent, or subcontractor of Contractor providing service under this Contract or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of LAFCo, Contractor shall indemnify, defend, and hold harmless LAFCo for all payments on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of LAFCo.

10. **Assignment and Subcontracting** Except as specifically provided herein, the rights, responsibilities, duties and Services to be performed under this Contract are personal to the Contractor and may not be transferred, subcontracted, or assigned without the prior written consent of LAFCo. Contractor shall not substitute or replace any personnel for those specifically named herein or in its proposal without the prior written consent of LAFCo.

Contractor shall cause and require each transferee, subcontractor, and assignee to comply with the insurance provisions set forth herein, to the extent such insurance provisions are required of Contractor under this Contract. Failure of Contractor to so cause and require such compliance by each transferee, subcontractor, and assignee shall constitute a Material Breach of this Contract, and, in addition to any other remedy available at law or otherwise, shall serve as a basis upon which LAFCo may elect to suspend payments hereunder, or terminate this Contract, or both.

11. **Licenses, Permits, Etc.** Contractor represents and warrants to LAFCo that Contractor shall, at its sole cost and expense, obtain or keep in effect at all times during the term of this Contract, any licenses, permits, and approvals which are legally required for Contractor to practice its profession at the time the services are performed.

12. **Hold Harmless and Indemnification Contract** To the fullest extent permitted by law, each Party (the "Indemnifying Party") hereby agrees to protect, defend, indemnify, and hold the other Party (the "Indemnified Party"), its officers, agents, employees, and volunteers, free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character resulting from the Indemnifying Party's negligent act, willful misconduct, or error or omission, including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by the Indemnified Party arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the Indemnified Party) and without limitation, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of, the Contract. The Indemnifying Party agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the Indemnifying Party, using legal counsel approved in writing by Indemnified Party. Indemnifying Party also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against either Party or to enlarge in any way either Party's liability but is intended solely to provide for indemnification of the Indemnified Party from liability for damages, or injuries to third persons or property, arising from or in connection with Indemnifying Party's performance pursuant to this Contract. This obligation is independent of, and shall not in any way be limited by, the minimum insurance obligations contained in this Contract.
13. **Standard of Performance** Contractor shall perform all services required pursuant to this Contract in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession. All products of whatsoever nature which Contractor delivers to LAFCo pursuant to this Contract shall be prepared in a substantial first class and workmanlike manner and conform to the standards or quality normally observed by a person practicing in Contractor's profession.
14. **Nondiscriminatory Employment** Contractor shall not discriminate in its employment practices because of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, sex or sexual orientation in contravention of the California Fair Employment and Housing Act, Government Code section 12900 et seq.
15. **Waiver** One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Contract shall not operate as a waiver of any subsequent breach or default by the other party.
16. **Conflict of Interest** Contractor certifies that no official or employee of LAFCo, nor any business entity in which an official of LAFCo has an interest, has been employed or retained to solicit or aid in the procuring of this Contract. In addition, Contractor agrees that no such person will be employed in the performance of this Contract unless first agreed to in writing by LAFCo.
17. **Entirety of Contract** This Contract contains the entire Contract of LAFCo and Contractor with respect to the subject matter hereof, and no other Contract, statement, or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Contract, shall be binding or valid.
18. **Alteration** No waiver, alteration, modification, or termination of this Contract shall be valid unless made in writing and signed by all parties, except as expressly provided in Section 19, Termination.
19. **Governing Law and Venue** This Contract is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. The

venue for any legal proceedings regarding this Contract shall be the County of Imperial, State of California. Each party waives any Federal court removal and/or original jurisdiction rights it may have.

20. **Compliance with Applicable Laws** Contractor shall comply with any and all federal, state and local laws, codes, ordinances, rules and regulations which relate to, concern or affect the Services to be provided by this Contract.
21. **Notification** Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, and addressed to the parties as follows:

Imperial LAFCo

BAE URBAN ECONOMICS, INC.

Name, Title:	<u>Jurg Huebarger</u> Executive officer	Matt Kowta, Managing Principal
Address:	1122 State St., Suite D El Centro, CA 92243	2560 9 th Street, Suite 211 Berkeley, CA 94710
Phone:	<u>760-353-4115</u>	530-750-2195
E-mail:	<u>jurgh@iclafco.com</u>	mkowta@bae1.com

Any notice so delivered personally shall be deemed to be received on the date of delivery, and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

Executed as of the day first above stated:

Authority: The individual executing this Contract on behalf of Contractor represents and warrants that they are authorized to execute and deliver this Contract on behalf of Contractor.

IN WITNESS WHEREOF, the parties have executed this Contract effective on the Beginning Date, above.

For IMPERIAL LAFCO:

By:



Date: 6/20/2023

Name: **Jurg Heuberger**
Title: **Executive Officer**

For BAE URBAN ECONOMICS, INC.:

By:



Date: 7-6-2023

Name: **Matt Kowta**
Title: **Managing Principal/President**

Exhibits

- A. Scope of Work
- B. Budget and Payments
- C. Insurance Requirements

EXHIBIT A

SCOPE OF WORK

Imperial County Hospital District Fiscal Evaluation

Imperial LAFCo

May 31, 2023

BAE will provide a high level fiscal analysis to evaluate the viability of up to two different scenarios for hospital services in Imperial County. The first option is for expansion of the Pioneer's Memorial Health Care District. This could include expansion of Pioneer's Memorial Health Care District to cover the entirety of Imperial County (**Scenario 1A**) or it could include expansion of the District beyond its current boundaries but to cover an area that is still less than countywide, such as the county minus the city limits of the City of El Centro (**Scenario 1B**). The second option is for consolidation of Pioneer's Memorial Health Care District with the Heffernan Memorial Healthcare District into a combined countywide district (**Scenario 2**). The objective of the fiscal analysis is to: a) estimate the annual operating deficit under each selected scenario; b) estimate the one-time capital costs needed to make improvements and provide infrastructure to meet state regulations and related annual debt-service requirements under each selected scenario, and; c) estimate the annual parcel tax levy within the affected service area defined for each selected scenario that is necessary to address operating deficit and debt service needs under each selected scenario.

1. Project Start-Up

BAE will coordinate with LAFCo staff to kick off the project. As part of this task, BAE will attend a kick-off meeting with LAFCo staff and other project stakeholders (e.g., hospital district representatives) to be identified and invited by LAFCo staff. The parties will discuss project objectives, scope, and schedule. Stakeholders will provide BAE with copies of any relevant background materials. Subsequent to the meeting, BAE will review the background materials. The budget for this task assumes a web meeting.

2. Data Collection

For this task, BAE will coordinate with LAFCo staff and project stakeholders to collect the base data needed to conduct the analysis for each of the two selected scenarios. This will include budget expenditure and revenue details from the last five full fiscal years, for each affected hospital or hospital district (i.e., ECRMC, Pioneer's and Heffernan). County staff will provide BAE with details regarding the current Pioneer's Memorial Health Care District and Heffernan Health Care District parcel assessment/property tax levy, including the rate schedule, data on affected parcels by type, and total annual collections. In addition, staff from the County Assessor's office will provide BAE with a countywide parcel data set that includes key data to utilize in estimating the revenue potential from an expanded/countywide revenue measure that is based on an assessment/parcel tax type of levy that is similar to the existing Pioneer's Memorial Health Care District and Heffernan Health Care District levy. BAE, LAFCo, and

hospital/hospital district staff will coordinate to identify major capital expenditure requirements and cost estimates under each of the two scenarios.

3. Identify Hospital Operating Funding Gap

BAE will review budget information submitted by the affected hospital and hospital districts to identify their recent trends in expenditures, revenues, and net operating income/loss. Hospital and Hospital districts will provide estimates of changes in net operating income/loss under the two different scenarios. BAE will use this information to develop an estimate of the target revenue amount from new hospital district levies in the affected service areas for each scenario that would be sufficient to fill the associated operating deficit.

4. Estimate Hospital Construction Debt Service Requirements

Based on the capital cost estimates for each of the scenarios and consultations with hospital district finance staff, BAE will develop assumptions about financing structures and estimate the annual debt service requirements to finance the required capital costs under each scenario.

5. Evaluation of Funding Potential from Expanded and/or Countywide Hospital District

Based on the total annual operating funding gap for each scenario identified in Task 3, plus the annual construction debt service amounts estimated in Task 4, BAE will identify the total annual revenues that an annual tax levy within the associated new hospital district boundary would need to collect under each scenario. Then, BAE will utilize the Assessor's parcel data to develop a tax allocation model that would spread the annual tax revenue burden across the countywide taxable parcels in a reasonable and equitable manner. For this task BAE will develop up to three different taxing schedules, by property type, that would generate an adequate total annual funding amount. BAE will then consider the new tax burden associated with the hospital tax levy under each of the two future scenarios in comparison to the existing hospital tax burden within the respective hospital district areas to evaluate the viability of a potential new hospital tax levy.

6. Prepare Draft and Final Report

BAE will prepare a technical memo to document the research, analysis, and findings from the scope of work. The memo will include data tables, narrative text, and graphs/charts as appropriate to convey the results. BAE will prepare and submit a draft report. BAE's project manager will be available to discuss the draft report, answer questions and solicit feedback from LAFCo staff and hospital district representatives. LAFCo staff will compile a single, consolidated set of comments on the draft report. BAE will consider the comments on the draft report, make revisions as appropriate, and submit a final report for LAFCo's use.

7. Meetings and Presentations

BAE's project manager will be available to meet with LAFCo staff and other stakeholders via teleconference or web meeting as needed to coordinate data collection, discuss project progress and interim results, and other topics as necessary during the course of the project. BAE's project manager will also be available to make up to two formal presentations of the project findings.

Project Timing

BAE estimates that the scope of work can be completed within the following rough timeline:

<u>Task</u>	<u>Completion by</u>
1. Project Start-Up	June 16
2. Data Collection	July 21
3. Identify Hospital Operating Funding Gap	Aug. 25
4. Estimate Hospital Construction Debt Service Requirements	August 25
5. Evaluation of Funding Potential from Countywide Hospital District	August 25
6. Prepare and Final Reports	Draft Report: Sept. 15 Final Report: within 2 wks. of receipt of comments on Draft
7. Meetings and Presentations	t.b.d.

Assumptions

1. Hospital and Hospital districts will provide relevant budget expenditure, revenue, and operating surplus/deficit figures for most recent five fiscal years. Hospital and Hospital district staff will be available for consultation with BAE to answer questions about the budgets and provide insights into the revenue and expenditure data and the revenue augmentation necessary to close annual operating gaps and ensure long-term fiscal sustainability under each of the two selected scenarios. For Scenario 1A and/or Scenario 1B, Pioneer's Memorial Health Care District staff will provide estimates of increased annual operating revenues and expenditures reflecting assumptions about the District expansion. For the countywide hospital district scenario (Scenario 2), total annual expenditures and revenues will be assumed to equal the sum of the separate districts' current annual expenditures and revenues, unless hospital district staff are able to provide BAE with specific adjustments to reflect economies of scale and/or elimination of duplicative functions under that scenario.
2. The Imperial County Assessor's office will provide data files (Excel) of taxable parcels countywide, by use category, with pertinent parcel characteristics data, such as size of parcel, number of housing units, building square footage, assessed valuation, etc., for use in developing the parcel tax revenue models for the two scenarios.

3. Staff from LAFCo and/or Hospital Districts will provide estimates of necessary major capital improvements and costs for each of the two scenarios.
4. Staff from the LAFCo's counsel will be available to provide advice on possible financing mechanisms for major capital improvements, tax levy structuring, and other legal questions that may arise in conjunction with the work.
5. Finance staff from Imperial County and the hospital districts will be available to provide input regarding potential capital finance structuring, financing costs, etc. for purposes of developing an estimate of the annual debt service requirements to finance new major capital expenditures.
6. Information needed for the study, to be provided by hospital and hospital districts, County staff, LAFCo staff and others, will be provided within the timeframes identified under the "Project Timing" header for completion of work products within the indicated timelines.
7. BAE will submit draft and final work products in electronic format.
8. Imperial LAFCo staff will coordinate review of the Draft Report and will provide BAE with a single, consolidated set of written comments on the Draft Report.
9. Presentations will be conducted via virtual web meetings. In-person meetings can be arranged at additional cost.

EXHIBIT B

BUDGET AND PAYMENTS

Budget:

BAE will complete the scope of work above on a time-and-materials basis, in accordance with BAE's standard hourly billing rates, below. BAE estimates that its costs will not exceed \$125,000; however, should it become apparent that this limit will not be sufficient to provide the analysis needed by the stakeholders for this project due to unforeseen complexity, requests for additional analysis, or other reasons, BAE will notify the client and request a scope and budget augmentation.

SCHEDULE OF HOURLY FEES

BAE contracts either on a fixed fee or time and material not to exceed basis. Contracts based on time and materials are subject to hourly fees for BAE professional staff.

Our hourly rates for calendar year 2023 are as follows:

Principal	\$300-\$330/hour
Associate Principal	\$285/hour
Director	\$275/hour
Vice President	\$270/hour
Senior Associate	\$210/hour
Associate	\$170/hour
Sr. Analyst	\$130/hour
Analyst	\$115/hour

Miscellaneous expenses such as data purchase, travel, document production, and conference calls are passed through to the client with no markup. Subconsultant contracts are subject to a charge of up to ten percent for BAE's administrative costs. These rates are subject to revision on or after January 1, 2024.

Payment Schedule

LAFCo will make payment within thirty (30) days after the billing is received and approved by LAFCo and as outlined below.

Invoices

Invoices shall be submitted to LAFCo in a form and with sufficient detail as required by LAFCo as defined below. Work performed by Contractor will be subject to final acceptance by LAFCo project manager(s).

- Staff hours by staff member and task
- Dates services were rendered
- Contract number

Submit all invoices to:

Imperial LAFCo

Attn: Jurg Heuberger
Address: 1122 W. State St., Suite D
El Centro, CA 92243
Phone: 760-353-4115
E-mail: jurgh@iclafco.com

EXHIBIT C

INSURANCE REQUIREMENTS

Insurance. Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees. Coverage shall be at least as broad as:

- i. **Commercial General Liability CGL:** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
- ii. **Automobile Liability** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
- iii. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, LAFCo requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to LAFCo.

Other Insurance Provisions:

The insurance policies are to contain, or be endorsed to contain, the following provisions:

- i. **Additional Insured Status:** LAFCo, its officers, employees, agents, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of the work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 25, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used.)
- ii. **Primary Coverage** For any claims related to this contract, the Contractor's insurance shall be primary insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects LAFCo, its officers, employees, agents, and volunteers. Any insurance or self-insurance maintained by LAFCo, its officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- iii. **Notice of Cancellation** This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to LAFCo.
- iv. **Waiver of Subrogation** Contractor hereby grants to LAFCo a waiver of any right to subrogation which any insurer or said Contractor may acquire against LAFCo by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not LAFCo has received a waiver of subrogation endorsement from the insurer.
- vi. **Deductible and Self-Insured Retentions** LAFCo may require the Contractor to provide proof of ability to pay losses and related investigations, claims administration, and defense expenses within the retention. The Policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or LAFCo.
- vii. **Acceptability of Insurers:** Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to LAFCo.
- viii. **Claims Made Policies** if any of the required policies provide coverage on a claims-made basis: **(note – should be applicable only to professional liability)**

- a. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
- b. Insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.
- c. If the coverage is canceled or non-renewed, and not replaced with another **claims-made policy form with a Retroactive Date**, prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of **three (3) years** after completion of contract work.
- ix. **Verification of Coverage** Contractor shall furnish LAFCo with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to LAFCo before work begins. However, failure to obtain and provide verification of the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. LAFCo reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- x. **Subcontractors** Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that LAFCo is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format at least as broad as CG 20 38 04 13.
- xi. **Special Risks or Circumstances** LAFCo reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- xii. **Conformity of Coverages** If more than one policy is used to meet the required coverages, such as an umbrella policy or excess policy, such policies shall be following form with all other applicable policies used to meet these minimum requirements. For example, all policies shall be Occurrence Liability policies or all shall be Claims Made Liability policies, if approved by LAFCo as noted above. In no cases shall the types of policies be different.
- xiii. **Premium Payments** The insurance companies shall have no recourse against LAFCo and funding agencies, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.
- xiv. **Material Breach** Failure of the Contractor to maintain the insurance required by this Contract, or to comply with any of the requirements of this section, shall constitute a material breach of the entire Contract.
- xv. **Certificate Holder** The Certificate Holder on insurance certificates and related documents should read as follows:

Imperial LAFCo
1122 State St., Suite D
El Centro, CA 92243

Certificates which amend or alter the coverage during the term of the contract, including updated certificates due to policy renewal, should be sent directly to Contract Administrator.

EXHIBIT G

- NEGATIVE DECLARATION**
- MITIGATED NEGATIVE DECLARATION**

*Initial Study & Environmental Analysis
For:*

**IC LAFCO IS # 2023-01
Countywide Health Care District**



Prepared By:

Imperial Local Agency Formation Commission (LAFCO)

1122 State Street, Suite D
El Centro, CA 92243
(760) 353 - 4115
www.iclafco.com

(May 2023)

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SECTION 1 INTRODUCTION

A. PURPOSE

This document is a policy-level, project level Initial Study for evaluation of potential environmental impacts resulting with the proposed _____ (Refer to Exhibit "A" & "B").

B. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) REQUIREMENTS AND THE IMPERIAL LAFCO'S GUIDELINES FOR IMPLEMENTING CEQA

As defined by Section 15063 of the State California Environmental Quality Act (CEQA) Guidelines and Section 7 of the Imperial LAFCO's "CEQA Regulations Guidelines for the Implementation of CEQA, as amended", an **Initial Study** is prepared primarily to provide the Lead Agency with information to use as the basis for determining whether an Environmental Impact Report (EIR), Negative Declaration, or Mitigated Negative Declaration would be appropriate for providing the necessary environmental documentation and clearance for any proposed project.

According to Section 15065, an **EIR** is deemed appropriate for a particular proposal if the following conditions occur:

- The proposal has the potential to substantially degrade quality of the environment.
- The proposal has the potential to achieve short-term environmental goals to the disadvantage of long-term environmental goals.
- The proposal has possible environmental effects that are individually limited but cumulatively considerable.
- The proposal could cause direct or indirect adverse effects on human beings.

According to Section 15070(a), a **Negative Declaration** is deemed appropriate if the proposal would not result in any significant effect on the environment.

According to Section 15070(b), a **Mitigated Negative Declaration** is deemed appropriate if it is determined that though a proposal could result in a significant effect, mitigation measures are available to reduce these significant effects to insignificant levels.

This Initial Study has determined that the proposed applications will not result in any potentially significant environmental impacts and therefore, a Negative Declaration is deemed as the appropriate document to provide necessary environmental evaluations and clearance as identified hereinafter.

This Initial Study and Negative Declaration are prepared in conformance with the California Environmental Quality Act of 1970, as amended (Public Resources Code, Section 21000 et. seq.); Section 15070 of the State & Imperial LAFCO'S Guidelines for Implementation of the California Environmental Quality Act of 1970, as amended (California Code of Regulations, Title 14, Chapter 3, Section 15000, et. seq.); applicable requirements of the Imperial LAFCO; and the regulations, requirements, and procedures of any other responsible public agency or an agency with jurisdiction by law.

Pursuant to the Imperial LAFCO Guidelines for Implementing CEQA, depending on the project scope, the Imperial LAFCO is designated the Lead Agency, in accordance with Section 15050 of the CEQA Guidelines. The Lead Agency is the public agency which has the principal responsibility for approving the necessary environmental clearances and analyses for any project in the County.

C. INTENDED USES OF INITIAL STUDY AND NEGATIVE DECLARATION

This Initial Study and Negative Declaration are informational documents which are intended to inform Imperial LAFCO decision makers, other responsible or interested agencies, and the general public of potential environmental effects of the proposed applications. The environmental review process has been established to enable public agencies to evaluate environmental consequences and to examine and implement methods of eliminating or reducing any potentially adverse impacts. While CEQA requires that consideration be given to avoiding environmental damage, the Lead Agency and other responsible public agencies must balance adverse environmental effects against other public objectives, including economic and social goals.

The Initial Study and Negative Declaration, prepared for the project will be circulated for a period of 20 days (*30-days if submitted to the State Clearinghouse for a project of area-wide significance*) for public and agency review and comments. At the conclusion, if comments are received, the Imperial LAFCO will prepare a document entitled "Responses to Comments" which will be forwarded to any commenting entity and be made part of the record within 10-days of any project consideration.

D. CONTENTS OF INITIAL STUDY & NEGATIVE DECLARATION

This Initial Study is organized to facilitate a basic understanding of the existing setting and environmental implications of the proposed applications.

SECTION 1

I. INTRODUCTION presents an introduction to the entire report. This section discusses the environmental process, scope of environmental review, and incorporation by reference documents.

SECTION 2

II. ENVIRONMENTAL CHECKLIST FORM contains the Imperial LAFCO'S Environmental Checklist Form. The checklist form presents results of the environmental evaluation for the proposed applications and those issue areas that would have either a potentially significant impact, potentially significant unless mitigation incorporated, less than significant impact or no impact.

PROJECT SUMMARY, LOCATION AND ENVIRONMENTAL SETTINGS describes the proposed project entitlements and required applications. A description of discretionary approvals and permits required for project implementation is also included. It also identifies the location of the project and a general description of the surrounding environmental settings.

ENVIRONMENTAL ANALYSIS evaluates each response provided in the environmental checklist form. Each response checked in the checklist form is discussed and supported with sufficient data and analysis as necessary. As appropriate, each response discussion describes and identifies specific impacts anticipated with project implementation.

SECTION 3

III. MANDATORY FINDINGS presents Mandatory Findings of Significance in accordance with Section 15065 of the CEQA Guidelines.

IV. PERSONS AND ORGANIZATIONS CONSULTED identifies those persons consulted and involved in preparation of this Initial Study and Negative Declaration.

V. REFERENCES lists bibliographical materials used in preparation of this document.

VI. NEGATIVE DECLARATION – IMPERIAL LAFCO

VII. FINDINGS

SECTION 4

VIII. RESPONSE TO COMMENTS (IF ANY)

IX. MITIGATION MONITORING & REPORTING PROGRAM (MMRP) (IF ANY)

E. SCOPE OF ENVIRONMENTAL ANALYSIS

For evaluation of environmental impacts, each question from the Environmental Checklist Form is summarized and responses are provided according to the analysis undertaken as part of the Initial Study. Impacts and effects will be evaluated and quantified, when appropriate. To each question, there are four possible responses, including:

1. **No Impact:** A “No Impact” response is adequately supported if the impact simply does not apply to the proposed applications.
2. **Less Than Significant Impact:** The proposed applications will have the potential to impact the environment. These impacts, however, will be less than significant; no additional analysis is required.
3. **Potentially Significant Unless Mitigation Incorporated:** This applies where incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less Than Significant Impact”.
4. **Potentially Significant Impact:** The proposed applications could have impacts that are considered significant. Additional analyses and possibly an EIR could be required to identify mitigation measures that could reduce these impacts to less than significant levels.

F. POLICY-LEVEL or PROJECT LEVEL ENVIRONMENTAL ANALYSIS

This Initial Study and Negative Declaration will be conducted under a policy-level, project level analysis. Regarding mitigation measures, it is not the intent of this document to “overlap” or restate conditions of approval that are commonly established for future known projects or the proposed applications. Additionally, those other standard requirements and regulations that any development must comply with, that are outside the Imperial LAFCO’S jurisdiction, are also not considered mitigation measures and therefore, will not be identified in this document.

G. TIERED DOCUMENTS AND INCORPORATION BY REFERENCE

Information, findings, and conclusions contained in this document are based on incorporation by reference of tiered documentation, which are discussed in the following section.

1. Tiered Documents

As permitted in Section 15152(a) of the CEQA Guidelines, information and discussions from other documents can be included into this document. Tiering is defined as follows:

“Tiering refers to using the analysis of general matters contained in a broader EIR (such as the one prepared for a general plan or policy statement) with later EIRs and negative declarations on narrower projects; incorporating by reference the general discussions from the broader EIR; and concentrating the later EIR or negative declaration solely on the issues specific to the later project.”

Tiering also allows this document to comply with Section 15152(b) of the CEQA Guidelines, which discourages redundant analyses, as follows:

“Agencies are encouraged to tier the environmental analyses which they prepare for separate but related projects including the general plans, zoning changes, and development projects. This approach can eliminate repetitive discussion of the same issues and focus the later EIR or negative declaration on the actual issues ripe for decision at each level of environmental review. Tiering is appropriate when the sequence of analysis is from an EIR prepared for a general plan, policy or program to an EIR or negative declaration for another plan, policy, or program of lesser scope, or to a site-specific EIR or negative declaration.”

Further, Section 15152(d) of the CEQA Guidelines states:

“Where an EIR has been prepared and certified for a program, plan, policy, or ordinance consistent with the requirements of this section, any lead agency for a later project pursuant to or consistent with the program, plan, policy, or ordinance should limit the EIR or negative declaration on the later project to effects which:

- (1) Were not examined as significant effects on the environment in the prior EIR; or
- (2) Are susceptible to substantial reduction or avoidance by the choice of specific revisions in the project, by the imposition of conditions, or other means.”

2. **Incorporation By Reference**

Incorporation by reference is a procedure for reducing the size of EIRs/MND and is most appropriate for including long, descriptive, or technical materials that provide general background information, but do not contribute directly to the specific analysis of the project itself. This procedure is particularly useful when an EIR or Negative Declaration relies on a broadly-drafted EIR for its evaluation of cumulative impacts of related projects (*Las Virgenes Homeowners Federation v. County of Los Angeles* [1986, 177 Ca.3d 300]). If an EIR or Negative Declaration relies on information from a supporting study that is available to the public, the EIR or Negative Declaration cannot be deemed unsupported by evidence or analysis (*San Francisco Ecology Center v. City and County of San Francisco* [1975, 48 Ca.3d 584, 595]). This document incorporates by reference appropriate information from the “Final Environmental Impact Report and Environmental Assessment for the “County of Imperial General Plan EIR” prepared by Brian F. Mooney Associates in 1993 and updates.

When an EIR or Negative Declaration incorporates a document by reference, the incorporation must comply with Section 15150 of the CEQA Guidelines as follows:

- The incorporated document must be available to the public or be a matter of public record (CEQA Guidelines Section 15150[a]). The General Plan EIR and updates are available, along with this document, at the Imperial Local Agency Formation Commission (LAFCO), 1122 State Street, Suite D, El Centro, CA 92243, Phone (760) 353-4115.
- This document must be available for inspection by the public at an office of the lead agency (CEQA Guidelines Section 15150[b]). These documents are available at the Imperial Local Agency Formation Commission (LAFCO), 1122 State Street, Suite D, El Centro, CA 92243, Phone (760) 353-4115.
- These documents must summarize the portion of the document being incorporated by reference or briefly describe information that cannot be summarized. Furthermore, these documents must describe the relationship between the incorporated information and the analysis in the tiered documents (CEQA Guidelines Section 15150[c]). As discussed above, the tiered EIRs address the entire project site and provide background and inventory information and data which apply to the project site. Incorporated information and/or data will be cited in the appropriate sections.

-
- These documents must include the State identification number of the incorporated documents (CEQA Guidelines Section 15150[d]).
 - The material to be incorporated in this document will include general background information (CEQA Guidelines Section 15150[f]). This has been previously discussed in this document.

II. *Environmental Checklist*

1. **Project Title:** Pioneer's Memorial Healthcare District Expansion of District Boundary
2. **Lead Agency:** Imperial LAFCO
3. **Contact person and phone number:** Jurg Heuberger, Executive Officer
Paula Graf, Assistant EO
4. **Address:** 1122 State Street, Suite D, El Centro CA, 92243
5. **E-mail:** jurgh@iclafco.com and Pg@iclafco.com
6. **Project location:** Countywide Expansion
7. **Project sponsor's name and address:** Pioneers Memorial Health Care District
207 W. Legion Rd, Brawley, CA 92227
8. **General Plan designation:** NA
9. **Zoning:** NA

10. **Description of project:** The Pioneers Memorial Health Care District has filed a request to expand their service district boundary to encompass the entire county or a substantial portion of Imperial County. The Imperial LAFCO will conduct an evaluation including a Fiscal Impact Analysis to determine to what extent the boundary can be expanded. Additionally, if cooperation is obtained from the El Centro Regional Medical Center (ECRMC) this analysis will include ECRMC being united into one Health Care District. Since ECRMC is however not a "Special District" LAFCO has no direct authority to include them nor to dissolve them. ECRMC can however voluntarily become part of a county-wide health care district.

It should be noted that while this process started on February 2nd, 2023, LAFCO could not deem the request complete because legislation introduced in the form of AB 918, by Assemblymember Garcia, created issues that needed to be addressed.

Additionally, to perform a full Fiscal Analysis, funding needed to be secured and the County Board of Supervisors on February 22, 2023 allocated funding not to exceed \$200k.

11. **Surrounding land uses and setting:** Briefly describe the project's surroundings:
Not applicable

12. **Other public agencies whose approval is required** (e.g., permits, financing approval, or participation agreement.):

No other public agencies need to approve the expansion of the District. Since however there may be a necessity for a special assessment, the voters in Imperial County may have to vote on an assessment/special tax.

13. Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code section 21080.3.1? If so, is there a plan for consultation that includes, for example, the determination of significance of impacts to tribal cultural resources, procedures regarding confidentiality, etc.?

Note: Conducting consultation early in the CEQA process allows tribal governments, lead agencies, and project proponents to discuss the level of environmental review, identify and address potential adverse impacts to tribal cultural resources, and reduce the potential for delay and conflict in the environmental review process. (See Public Resources Code, Section 21080.3.2). Information may also be available from the California Native American Heritage Commission's Sacred Lands File per Public Resources Code, Section

5097.96 and the California Historical Resources Information System administered by the California Office of Historic Preservation. Please also note that Public Resources Code, Section 21082.3 (c) contains provisions specific to confidentiality.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

<input type="checkbox"/>	Aesthetics	<input type="checkbox"/>	Agriculture and Forestry Resources	<input type="checkbox"/>	Air Quality
<input type="checkbox"/>	Biological Resources	<input type="checkbox"/>	Cultural Resources	<input type="checkbox"/>	Energy
<input type="checkbox"/>	Geology /Soils	<input type="checkbox"/>	Greenhouse Gas Emissions	<input type="checkbox"/>	Hazards & Hazardous Materials
<input type="checkbox"/>	Hydrology / Water Quality	<input type="checkbox"/>	Land Use / Planning	<input type="checkbox"/>	Mineral Resources
<input type="checkbox"/>	Noise	<input type="checkbox"/>	Population / Housing	<input checked="" type="checkbox"/>	Public Services
<input type="checkbox"/>	Recreation	<input type="checkbox"/>	Transportation	<input type="checkbox"/>	Tribal Cultural Resources
<input type="checkbox"/>	Utilities/Service Systems	<input type="checkbox"/>	Wildfire	<input type="checkbox"/>	Mandatory Findings of Significance

After Review of the Initial Study

Found that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

Found that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

Found that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

Found that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

Found that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE DE MINIMIS IMPACT FINDING: Yes No

Jurg Heuberger, Executive Officer

Date:

PROJECT SUMMARY

- A. **Project Location:** County of Imperial (entire county possible)
- B. **Project Summary:** This is the expansion of the Pioneers Memorial Healthcare District. The proposed expansion of the their boundary could include the entire county or a substantial portion thereof.
- C. **Environmental Setting:** This is an expansion of a service area boundary for an existing district in Imperial County. It does not include any physical changes to any structures or areas, simply a boundary adjustment.

C. **Analysis:**

Background:

The Pioneers Memorial Health Care District filed an application with LAFCO to expand its service boundary to cover the entire county or at least a substantial portion thereof. See Exhibit A for a depiction of the current Pioneer's Memorial Healthcare District boundary.

There is another Health Care district known as the Heffernan Memorial Health Care District, (HMHD). The HMHD district covers an area located generally along the international border with Mexico, see Exhibit B.

PMHD currently operates a hospital along with associated facilities. HMHD does not operate a hospital at this time and has not for many years.

There is another hospital in Imperial County, known as the El Centro Regional Medical Center (ECRMC), which is a hospital owned and operated by the City of El Centro. ECRMC is not a special district hospital.

There have been many discussions between the above entities as well as other agencies about the formation of a countywide health care district. However at this point only PMHD has filed a request with LAFCO to start the process of expanding to a countywide health care district.

At the beginning of February, a meeting involving all of the above was held at the LAFCO office and the LAFCO process was explained. Also provided was a timeline within which a countywide district could potentially be formed. This also included information from County Elections which indicated that a special election could be held as early as Oct/Nov, however a special election could cost in the range of \$450,000.00.

Shortly after this meeting AB 918, a bill by Assembly Member Garcia was introduced. A copy of the original bill is available at the LAFCO office upon request. AB 918 was subsequently amended and at the writing of this report purports to automatically form a countywide district by requiring PMHD to file an application with LAFCO and for LAFCO to go through a process however LAFCO is limited to only APPROVING the district. Upon formation, the bill notes that HMHD automatically dissolves and the assets transfer to the new district.

During the February meeting it was explained to the group that in order for LAFCO to consider the formation of such a district a full fiscal impact analysis would be required.

Shortly after the February meeting the County Board of Supervisors authorized an allocation of up to \$200,000.00 for a fiscal impact analysis.

Analysis:

Currently PMHD boundary encompasses an area (Exhibit A) mostly in the northern portion of Imperial County. Under the proposed expansion, the new boundary could cover the entire county or at least a substantial portion thereof. The boundary is to be determined upon the fiscal analysis being completed.

At the writing of this report a request for fiscal information has been requested to ECRMC, PMHD, and HMHD.

The most critical component of the expansion of this district rests with the Fiscal Impact Analysis. To that end the fiscal analysis will include several versions to make sure that we have a full understanding on what a county wide assessment could look like under the various options.

The options are:

- A full analysis of a district whose boundary would be the entire county, with operational costs and projected costs, available from Pioneers only.
- A full analysis of a district whose boundary would be the entire county with operational and projected costs available from ECRMC and Pioneers
- A full analysis of a district whose boundary would be the entire county with operational costs projected by both ECRMC and PMHD and with the assumption of 50% of ECRMC's current debt.
- A full analysis of a district whose boundary would be the entire county with operational costs projected by both ECRMC and PMHD with the assumption of 100% of ECRMC's cost and a similar debt projected by Pioneers for structural upgrades.
- A full analysis of a district whose boundary would be the entire county exclusive of the City of El Centro and exclusive of any portion of ECRMC's current debt.

E. General Plan Consistency:

Not applicable!

Exhibit "A"
Pioneers Memorial Health Care District

Exhibit "B"
Heffernan Memorial Health Care District

Exhibit "C"
Proposed countywide boundary

EVALUATION OF ENVIRONMENTAL IMPACTS:

- 1) A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
- 4) "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from "Earlier Analyses," as described in (5) below, may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
 - a) Earlier Analysis Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c) Mitigation Measures. For effects that are "Less than Significant with Mitigation Measures Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
- 7) Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
- 9) The explanation of each issue should identify:
 - a) the significance criteria or threshold, if any, used to evaluate each question; and
 - b) the mitigation measure identified, if any, to reduce the impact to less than significance

Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
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I. AESTHETICS

Except as provided in Public Resources Code Section 21099, would the project:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Have a substantial adverse effect on a scenic vista or scenic highway?
a) no physical change therefore no impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Substantially damage scenic resources, including, but not limited to trees, rock outcroppings, and historic buildings within a state scenic highway?
b) no physical change therefore no impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surrounding? (Public views are those that are experienced from publicly accessible vantage point.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?
c) no physical change therefore no impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?
d) no physical impact therefore no impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

II. AGRICULTURE AND FOREST RESOURCES

In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. --Would the project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?
a) no physical change to the environment therefore no impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict with existing zoning for agricultural use, or a Williamson Act Contract?
b) no physical change to the environment therefore no impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?
c) no physical change to the environment therefore no impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Result in the loss of forest land or conversion of forest land to non-forest use?
d) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?
e) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
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III. **AIR QUALITY**

Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to the following determinations. Would the Project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Conflict with or obstruct implementation of the applicable air quality plan?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Expose sensitive receptors to substantial pollutant concentrations?
c) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Result in other emissions (such as those leading to odors adversely affecting a substantial number of people)?
d) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

IV. **BIOLOGICAL RESOURCES** *Would the project:*

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?
c) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Interfere substantially with the movement of any resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?
d) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Conflict with any local policies or ordinance protecting biological resource, such as a tree preservation policy or ordinance?
e) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?
f) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
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V. **CULTURAL RESOURCES** *Would the project:*

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Disturb any human remains, including those interred outside of dedicated cemeteries?
c) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

VI. **ENERGY** *Would the project:*

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

VII. **GEOLOGY AND SOILS** *Would the project:*

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Directly or indirectly cause potential substantial adverse effects, including risk of loss, injury, or death involving: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 1) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42?
1) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2) Strong Seismic ground shaking?
2) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3) Seismic-related ground failure, including liquefaction and seiche/tsunami?
3) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4) Landslides?
4) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Result in substantial soil erosion or the loss of topsoil?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Be located on a geologic unit or soil that is unstable or that would become unstable as a result of the project, and potentially result in on- or off-site landslides, lateral spreading, subsidence, liquefaction or collapse?
c) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Be located on expansive soil, as defined in the latest Uniform | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
Building Code, creating substantial direct or indirect risk to life or property? d) no physical change therefore no environmental impact				
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water? e) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? f) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

VIII. **GREENHOUSE GAS EMISSION** *Would the project:*

a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable plan or policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

IX. **HAZARDS AND HAZARDOUS MATERIALS** *Would the project:*

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonable foreseeable upset and accident conditions involving the release of hazardous materials into the environment? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? c) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site, which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? d) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area? e) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
plan? f) no physical change therefore no environmental impact				
g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires? g) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
X. HYDROLOGY AND WATER QUALITY Would the project:				
a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(i) result in substantial erosion or siltation on- or off-site;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iii) create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iv) impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation? d) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan? e) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XI. LAND USE AND PLANNING Would the project:				
a) Physically divide an established community? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
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b) no physical change therefore no environmental impact

XII. **MINERAL RESOURCES** *Would the project:*

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

XIII. **NOISE** *Would the project result in:*

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Generation of excessive groundborne vibration or groundborne noise levels?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) For a project located within the vicinity of a private airstrip or an airport land use plan or where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?
c) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

XIV. **POPULATION AND HOUSING** *Would the project:*

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and business) or indirectly (for example, through extension of roads or other infrastructure)?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

XV. **PUBLIC SERVICES**

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
1) Fire Protection? 1) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2) Police Protection? 2) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3) Schools? 3) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4) Parks? 4) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5) Other Public Facilities? 5) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVI. RECREATION

a) Would the project increase the use of the existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse effect on the environment? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVII. TRANSPORTATION *Would the project:*

a) Conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Would the project conflict or be inconsistent with the CEQA Guidelines section 15064.3, subdivision (b)? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially increases hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? c) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in inadequate emergency access? d) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVIII. TRIBAL CULTURAL RESOURCES

a) Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place or object with cultural value to a California Native American tribe, and that is:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
(i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as define in Public Resources Code Section 5020.1(k), or (i) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
0 (ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American Tribe. (ii) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XIX. UTILITIES AND SERVICE SYSTEMS *Would the project:*

a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunications facilities, the construction of which could cause significant environmental effects? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have sufficient water supplies available to serve the project from existing and reasonably foreseeable future development during normal, dry and multiple dry years? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? c) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals? d) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste? e) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XX. WILDFIRE

If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the Project:

a) Substantially impair an adopted emergency response plan or emergency evacuation plan? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment? c) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes? d) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Note: Authority cited: Sections 21083 and 21083.05, Public Resources Code. Reference: Section 65088.4, Gov. Code; Sections 21080(c), 21080.1, 21080.3, 21083, 21083.05, 21083.3, 21093, 21094, 21095, and 21151, Public Resources Code; Sundstrom v. County of Mendocino, (1988) 202 Cal.App.3d 296; Leonoff v. Monterey Board of Supervisors, (1990) 222 Cal.App.3d 1337; Eureka Citizens for Responsible Govt. v. City of Eureka (2007) 147 Cal.App.4th 357; Protect the Historic Amador Waterways v. Amador Water Agency (2004) 116 Cal.App.4th at 1109; San Franciscans Upholding the Downtown Plan v. City and County of San Francisco (2002) 102 Cal.App.4th 656.

Revised 2009- CEQA
 Revised 2011- ICPDS
 Revised 2016 – ICPDS
 Revised 2017 – ICPDS
 Revised 2019 – ICPDS

Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
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SECTION 3
III. MANDATORY FINDINGS OF SIGNIFICANCE

The following are Mandatory Findings of Significance in accordance with Section 15065 of the CEQA Guidelines.

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| <p>a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal, eliminate tribal cultural resources or eliminate important examples of the major periods of California history or prehistory?</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <p>b) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <p>c) Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

IV. PERSONS AND ORGANIZATIONS CONSULTED

This section identifies those persons who prepared or contributed to preparation of this document. This section is prepared in accordance with Section 15129 of the CEQA Guidelines.

B. OTHER AGENCIES/ORGANIZATIONS

None

(Written or oral comments received on the checklist prior to circulation)

V. REFERENCES

VI. NEGATIVE DECLARATION – LAFCO

The following Negative Declaration is being circulated for public review in accordance with the California Environmental Quality Act Section 21091 and 21092 of the Public Resources Code.

Project Name: Pioneer’s Memorial Healthcare District Expansion of District Boundary

Project Applicant: Pioneer’s Memorial Healthcare District

Project Location: Countywide

Description of Project:

The Pioneers Memorial Health Care District has filed a request to expand their service district boundary to encompass the entire county or a substantial portion of Imperial County. The Imperial LAFCO will conduct an evaluation including a Fiscal Impact Analysis to determine to what extent the boundary can be expanded.

Additionally, if cooperation is obtained from the El Centro Regional Medical Center (ECRMC) this analysis will include ECRMC being united into one Health Care District. Since ECRMC is however not a “Special District” LAFCO has no direct authority to include them nor to dissolve them. ECRMC can however voluntarily become part of a county-wide health care district.

It should be noted that while this process started on February 2nd, 2023, LAFCO could not deem the request complete because legislation introduced in the form of AB 918, by Assemblymember Garcia, created issues that needed to be addressed.

Additionally, to perform a full Fiscal Analysis, funding needed to be secured and the County Board of Supervisors on February 22, 2023 allocated funding not to exceed \$200k

SECTION 4

VIII. RESPONSE TO COMMENTS

(ATTACH DOCUMENTS, IF ANY, HERE)

IX. MITIGATION MONITORING & REPORTING PROGRAM (MMRP)

(ATTACH DOCUMENTS, IF ANY, HERE)

EXHIBIT H



NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION

TO: Agencies, Organizations, and Interested Parties

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> CA Fish & Game
<input checked="" type="checkbox"/> California Highway Patrol
<input checked="" type="checkbox"/> CALTRANS District 11
<input checked="" type="checkbox"/> City of Brawley, City Manager
<input checked="" type="checkbox"/> City of Calexico, City Manager
<input checked="" type="checkbox"/> City of Calipatria, City Manager
<input checked="" type="checkbox"/> City of El Centro, City Manager
<input checked="" type="checkbox"/> City of Holtville, City Manager
<input checked="" type="checkbox"/> City of Imperial, City Manager
<input checked="" type="checkbox"/> City of Westmorland, City Manager | <input checked="" type="checkbox"/> IC Agricultural Commissioner
<input checked="" type="checkbox"/> IC Air Pollution Control District
<input checked="" type="checkbox"/> IC Auditor
<input checked="" type="checkbox"/> IC Assessor
<input checked="" type="checkbox"/> IC Clerk to the Board
<input checked="" type="checkbox"/> IC Counsel
<input checked="" type="checkbox"/> IC Executive Officer
<input checked="" type="checkbox"/> IC Fire Department
<input checked="" type="checkbox"/> IC Planning Commission
<input checked="" type="checkbox"/> IC Planning & Director
<input checked="" type="checkbox"/> IC Public Works Director
<input checked="" type="checkbox"/> IC Sheriff's Office | <input checked="" type="checkbox"/> El Centro Regional Medical Center, CEO
<input checked="" type="checkbox"/> Heffernan Memorial Healthcare District, Executive Director
<input checked="" type="checkbox"/> Imperial County Office of Education, Superintendent
<input checked="" type="checkbox"/> Imperial Irrigation District, Clerk to the Board
<input checked="" type="checkbox"/> Imperial Irrigation District, General Manager
<input checked="" type="checkbox"/> Imperial Irrigation District, Vikki Dee Bradshaw
<input checked="" type="checkbox"/> LAFCO Files
<input checked="" type="checkbox"/> Pioneer's Memorial Healthcare District, CEO
<input checked="" type="checkbox"/> Regional Water Quality Control Board, Paula Rasmussen
<input checked="" type="checkbox"/> Southern CA. Gas Co., District Operation Manager
<input checked="" type="checkbox"/> IC Clerk/Recorder
<input checked="" type="checkbox"/> IC Special Accounting Manager
<input checked="" type="checkbox"/> IC Fire Department |
|---|--|---|

STATE AGENCIES (Pursuant to G.C. 56131.5(a))

- The State Department of Health Care Services, Medi-Cal Division
- The Office of the Statewide Health Planning & Development
- The California Health Facilities Financing Authority
- The State Department of Public Health, Licensing and Certification Division
- The Area Health Planning Agency, Imperial County Health Authority

DATE: October 10, 2023

NOTICE IS HEREBY given that the Imperial Local Agency Formation Commission, as the Lead agency under the California Environmental Quality Act (CEQA), has prepared a Negative Declaration (ND) and supporting Initial Study for the Pioneer's Memorial Healthcare District project and is providing public notice.

I. PROJECT:

The Pioneers Memorial Health Care District submitted a Resolution of Application proposing to expand the district service boundaries to encompass the entire county or a substantial portion of Imperial County. Enclosed, please find a description of the proposed project. LAFCO has completed a draft initial study, and the results indicate no significant adverse impacts to the environment by the project.

II. ENVIRONMENTAL SETTING:

See the attached Initial Study.

III. DETERMINATION: LAFCO has conducted an Initial Study and determined that the proposed project will not have a significant environmental effect, and the preparation of an Environmental Impact Report will not be required.

IV. PUBLIC REVIEW: The Negative Declaration has a review period of 20 days, starting on Wednesday, October 11, 2023, and ending on October 31, 2023, at 5:00 p.m. Copies of the ND are available for review on LAFCO's website at <https://www.iclafco.com/hospital-formation> and the LAFCO office.

Any written comments on the ND should be sent to the Imperial Local Agency Formation Commission at the mailing address or e-mail noted below.

E-Mail: jurgh@iclafco.com
Mail or Drop Off: 1122 W. State Street, Suite D, El Centro, CA 92243
Office Hours: Monday-Thursday 8-5



Jurg Heuberger, Executive Officer

OCT 5, 2023

Date

- NEGATIVE DECLARATION**
 MITIGATED NEGATIVE DECLARATION

*Initial Study & Environmental Analysis
For:*

**IC LAFCO IS # 2023-01
Countywide Health Care District
Expanding the Pioneers Memorial Health Care District from its current boundaries to cover the entire
County of Imperial.**



Prepared By:

Imperial Local Agency Formation Commission (LAFCO)
1122 State Street, Suite D
El Centro, CA 92243
(760) 353 - 4115
www.iclafco.com

October 2023

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SECTION 1 INTRODUCTION

A. PURPOSE

This document is a policy-level, project level Initial Study for evaluation of potential environmental impacts resulting with the proposed _____ (Refer to Exhibit "A" & "B").

B. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) REQUIREMENTS AND THE IMPERIAL LAFCO'S GUIDELINES FOR IMPLEMENTING CEQA

As defined by Section 15063 of the State California Environmental Quality Act (CEQA) Guidelines and Section 7 of the Imperial LAFCO's "CEQA Regulations Guidelines for the Implementation of CEQA, as amended", an **Initial Study** is prepared primarily to provide the Lead Agency with information to use as the basis for determining whether an Environmental Impact Report (EIR), Negative Declaration, or Mitigated Negative Declaration would be appropriate for providing the necessary environmental documentation and clearance for any proposed project.

According to Section 15065, an **EIR** is deemed appropriate for a particular proposal if the following conditions occur:

- The proposal has the potential to substantially degrade the quality of the environment.
- The proposal has the potential to achieve short-term environmental goals to the disadvantage of long-term environmental goals.
- The proposal has possible environmental effects that are individually limited but cumulatively considerable.
- The proposal could cause direct or indirect adverse effects on human beings.

According to Section 15070(a), a **Negative Declaration** is deemed appropriate if the proposal would not result in any significant effect on the environment.

According to Section 15070(b), a **Mitigated Negative Declaration** is deemed appropriate if it is determined that though a proposal could result in a significant effect, mitigation measures are available to reduce these significant effects to insignificant levels.

This Initial Study has determined that the proposed applications will not result in any potentially significant environmental impacts and therefore, a Negative Declaration is deemed as the appropriate document to provide necessary environmental evaluations and clearance as identified hereinafter.

This Initial Study and Negative Declaration are prepared in conformance with the California Environmental Quality Act of 1970, as amended (Public Resources Code, Section 21000 et. seq.); Section 15070 of the State & Imperial LAFCO'S Guidelines for Implementation of the California Environmental Quality Act of 1970, as amended (California Code of Regulations, Title 14, Chapter 3, Section 15000, et. seq.); applicable requirements of the Imperial LAFCO; and the regulations, requirements, and procedures of any other responsible public agency or an agency with jurisdiction by law.

Pursuant to the Imperial LAFCO Guidelines for Implementing CEQA, depending on the project scope, the Imperial LAFCO is designated the Lead Agency, in accordance with Section 15050 of the CEQA Guidelines. The Lead Agency is the public agency which has the principal responsibility for approving the necessary environmental clearances and analyses for any project in the County.

C. INTENDED USES OF INITIAL STUDY AND NEGATIVE DECLARATION

This Initial Study and Negative Declaration are informational documents which are intended to inform Imperial LAFCO decision makers, other responsible or interested agencies, and the general public of potential environmental effects of the proposed applications. The environmental review process has been established to enable public agencies to evaluate environmental consequences and to examine and implement methods of eliminating or reducing any potentially adverse impacts. While CEQA requires that consideration be given to avoiding environmental damage, the Lead Agency and other responsible public agencies must balance adverse environmental effects against other public objectives, including economic and social goals.

The Initial Study and Negative Declaration, prepared for the project will be circulated for a period of 20 days (*30-days if submitted to the State Clearinghouse for a project of area-wide significance*) for public and agency review and comments. At the conclusion, if comments are received, the Imperial LAFCO will prepare a document entitled "Responses to Comments" which will be forwarded to any commenting entity and be made part of the record within 10-days of any project consideration.

D. CONTENTS OF INITIAL STUDY & NEGATIVE DECLARATION

This Initial Study is organized to facilitate a basic understanding of the existing setting and environmental implications of the proposed applications.

SECTION 1

I. INTRODUCTION presents an introduction to the entire report. This section discusses the environmental process, scope of environmental review, and incorporation by reference documents.

SECTION 2

II. ENVIRONMENTAL CHECKLIST FORM contains the Imperial LAFCO'S Environmental Checklist Form. The checklist form presents results of the environmental evaluation for the proposed applications and those issue areas that would have either a potentially significant impact, potentially significant unless mitigation incorporated, less than significant impact or no impact.

PROJECT SUMMARY, LOCATION AND ENVIRONMENTAL SETTINGS describes the proposed project entitlements and required applications. A description of discretionary approvals and permits required for project implementation is also included. It also identifies the location of the project and a general description of the surrounding environmental settings.

ENVIRONMENTAL ANALYSIS evaluates each response provided in the environmental checklist form. Each response checked in the checklist form is discussed and supported with sufficient data and analysis as necessary. As appropriate, each response discussion describes and identifies specific impacts anticipated with project implementation.

SECTION 3

III. MANDATORY FINDINGS presents Mandatory Findings of Significance in accordance with Section 15065 of the CEQA Guidelines.

IV. PERSONS AND ORGANIZATIONS CONSULTED identifies those persons consulted and involved in preparation of this Initial Study and Negative Declaration.

V. REFERENCES lists bibliographical materials used in preparation of this document.

VI. NEGATIVE DECLARATION – IMPERIAL LAFCO

VII. FINDINGS

SECTION 4

VIII. RESPONSE TO COMMENTS (IF ANY)

IX. MITIGATION MONITORING & REPORTING PROGRAM (MMRP) (IF ANY)

E. SCOPE OF ENVIRONMENTAL ANALYSIS

For evaluation of environmental impacts, each question from the Environmental Checklist Form is summarized and responses are provided according to the analysis undertaken as part of the Initial Study. Impacts and effects will be evaluated and quantified, when appropriate. To each question, there are four possible responses, including:

1. **No Impact:** A "No Impact" response is adequately supported if the impact simply does not apply to the proposed applications.
2. **Less Than Significant Impact:** The proposed applications will have the potential to impact the environment. These impacts, however, will be less than significant; no additional analysis is required.
3. **Potentially Significant Unless Mitigation Incorporated:** This applies where incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact".
4. **Potentially Significant Impact:** The proposed applications could have impacts that are considered significant. Additional analyses and possibly an EIR could be required to identify mitigation measures that could reduce these impacts to less than significant levels.

F. POLICY-LEVEL or PROJECT LEVEL ENVIRONMENTAL ANALYSIS

This Initial Study and Negative Declaration will be conducted under a policy-level, project level analysis. Regarding mitigation measures, it is not the intent of this document to "overlap" or restate conditions of approval that are commonly established for future known projects or the proposed applications. Additionally, those other standard requirements and regulations that any development must comply with, that are outside the Imperial LAFCO'S jurisdiction, are also not considered mitigation measures and therefore, will not be identified in this document.

G. TIERED DOCUMENTS AND INCORPORATION BY REFERENCE

Information, findings, and conclusions contained in this document are based on incorporation by reference of tiered documentation, which are discussed in the following section.

1. Tiered Documents

As permitted in Section 15152(a) of the CEQA Guidelines, information and discussions from other documents can be included into this document. Tiering is defined as follows:

"Tiering refers to using the analysis of general matters contained in a broader EIR (such as the one prepared for a general plan or policy statement) with later EIRs and negative declarations on narrower projects; incorporating by reference the general discussions from the broader EIR; and concentrating the later EIR or negative declaration solely on the issues specific to the later project."

Tiering also allows this document to comply with Section 15152(b) of the CEQA Guidelines, which discourages redundant analyses, as follows:

"Agencies are encouraged to tier the environmental analyses which they prepare for separate but related projects including the general plans, zoning changes, and development projects. This approach can eliminate repetitive discussion of the same issues and focus the later EIR or negative declaration on the actual issues ripe for decision at each level of environmental review. Tiering is appropriate when the sequence of analysis is from an EIR prepared for a general plan, policy or program to an EIR or negative declaration for another plan, policy, or program of lesser scope, or to a site-specific EIR or negative declaration."

Further, Section 15152(d) of the CEQA Guidelines states:

"Where an EIR has been prepared and certified for a program, plan, policy, or ordinance consistent with the requirements of this section, any lead agency for a later project pursuant to or consistent with the program, plan, policy, or ordinance should limit the EIR or negative declaration on the later project to effects which:

- (1) Were not examined as significant effects on the environment in the prior EIR; or
- (2) Are susceptible to substantial reduction or avoidance by the choice of specific revisions in the project, by the imposition of conditions, or other means."

2. Incorporation By Reference

Incorporation by reference is a procedure for reducing the size of EIRs/MND and is most appropriate for including long, descriptive, or technical materials that provide general background information, but do not contribute directly to the specific analysis of the project itself. This procedure is particularly useful when an EIR or Negative Declaration relies on a broadly-drafted EIR for its evaluation of cumulative impacts of related projects (*Las Virgenes Homeowners Federation v. County of Los Angeles* [1986, 177 Ca.3d 300]). If an EIR or Negative Declaration relies on information from a supporting study that is available to the public, the EIR or Negative Declaration cannot be deemed unsupported by evidence or analysis (*San Francisco Ecology Center v. City and County of San Francisco* [1975, 48 Ca.3d 584, 595]). This document incorporates by reference appropriate information from the "Final Environmental Impact Report and Environmental Assessment for the "County of Imperial General Plan EIR" prepared by Brian F. Mooney Associates in 1993 and updates.

When an EIR or Negative Declaration incorporates a document by reference, the incorporation must comply with Section 15150 of the CEQA Guidelines as follows:

- The incorporated document must be available to the public or be a matter of public record (CEQA Guidelines Section 15150[a]). The General Plan EIR and updates are available, along with this document, at the Imperial Local Agency Formation Commission (LAFCO), 1122 State Street, Suite D, El Centro, CA 92243, Phone (760) 353-4115.
- This document must be available for inspection by the public at an office of the lead agency (CEQA Guidelines Section 15150[b]). These documents are available at the Imperial Local Agency Formation Commission (LAFCO), 1122 State Street, Suite D, El Centro, CA 92243, Phone (760) 353-4115.
- These documents must summarize the portion of the document being incorporated by reference or briefly describe information that cannot be summarized. Furthermore, these documents must describe the relationship between the incorporated information and the analysis in the tiered documents (CEQA Guidelines Section 15150[c]). As discussed above, the tiered EIRs address the entire project site and provide background and inventory information and data which apply to the project site. Incorporated information and/or data will be cited in the appropriate sections.

-
- These documents must include the State identification number of the incorporated documents (CEQA Guidelines Section 15150[d]).
 - The material to be incorporated in this document will include general background information (CEQA Guidelines Section 15150[f]). This has been previously discussed in this document.

II. *Environmental Checklist*

1. **Project Title:** Pioneer's Memorial Healthcare District Expansion of District Boundary to encompass the entire County of Imperial.
2. **Lead Agency:** Imperial LAFCO
3. **Contact person and phone number:** Jurg Heuberger, Executive Officer
Paula Graf, Assistant Executive Officer
4. **Address:** 1122 State Street, Suite D, El Centro CA, 92243
5. **E-mail:** jurgh@iclafo.com
6. **Project Location:** Countywide Expansion
7. **Project sponsor's name and address:** Pioneers Memorial Health Care District
207 W. Legion Rd, Brawley, CA 92227
8. **General Plan designation:** NA (no development of a new project site or location and no land use changes are envisioned within the proposed expansion of the district boundary).
9. **Zoning:** NA (no zone change is required or envisioned for the expansion of a district boundary).

10. **Description of project:**

The Pioneers Memorial Health Care District (PMHD) has filed a request to expand their service district boundary to encompass the entire county or a substantial portion of Imperial County. The Imperial LAFCO is conducting an evaluation including a Fiscal Impact Analysis (FIA) to determine to what extent the boundary can be expanded.

Additionally, if cooperation is obtained from the El Centro Regional Medical Center (ECRMC), this analysis will include ECRMC being united into one Health Care District. Since ECRMC is however not a "Special District" LAFCO has no direct authority to include them nor to dissolve them. ECRMC can, however, voluntarily become part of a county-wide health care district. Given that EC has indicated an interest in the formation of one county-wide health care district through its support of AB 918 (Garcia), a bill that would also form a county-wide health care district, this proposal does not force ECRMC to be a part of. This analysis is based on the premise that if one district is formed both ECRMC and PMHD would then be operated under one governance structure. Still, both physical facilities would continue to exist at their respective locations.

It should be noted that while this process started on February 2nd, 2023, LAFCO could not deem the request complete because legislation introduced in the form of AB 918 by Assemblymember Garcia created issues that needed to be addressed.

Additionally, to perform a full Fiscal Impact Analysis, funding needed to be secured, and the County Board of Supervisors on February 22, 2023 allocated funding not to exceed \$200k.

Although a full FIA is not required under CEQA, LAFCO is required to consider the financial impacts of the formation of a new or expanded district. As a result, LAFCO has contracted with an independent consultant to prepare a full fiscal impact analysis to determine what level if any of support would be needed through a special assessment applied to all applicable parcels in Imperial County.

LAFCO solicited input from PMHD and ECRMC in preparing the Fiscal analysis. Furthermore, LAFCO asked ECRMC to share its consultant's analysis with the LAFCO consultant early on to develop a base line of assumptions. That unfortunately did not happen. LAFCO again asked that the draft studies for both consultants be reviewed by each other to assure that the final conclusions were similar in terms of an assessment that may be required to make the district financially viable.

Lastly, if a county wide assessment is necessary to make the district financially viable, there would be a need for a vote that would be handled through the County's election process.

11. **Surrounding land uses and setting:** Briefly describe the project's surroundings:

Since this is the expansion of a special district wherein only the geographic boundaries are changed, and no physical or structural changes are proposed as part of this expansion there is no change to either of the ECRMC or PMHD hospital facilities land uses or their surroundings.

12. **Other public agencies whose approval is required** (e.g., permits, financing approval, or participation agreement.):

No other public agencies need to approve the expansion of the District. Since however there may be a necessity for a special assessment, the voters in Imperial County may have to vote on an assessment/special tax.

13. **Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code section 21080.3.1? If so, is there a plan for consultation that includes, for example, the determination of significance of impacts to tribal cultural resources, procedures regarding confidentiality, etc.?**

No California Native American tribes have requested consultation.

Note: Conducting consultation early in the CEQA process allows tribal governments, lead agencies, and project proponents to discuss the level of environmental review, identify and address potential adverse impacts to tribal cultural resources, and reduce the potential for delay and conflict in the environmental review process. (See Public Resources Code, Section 21080.3.2). Information may also be available from the California Native American Heritage Commission's Sacred Lands File per Public Resources Code, Section 5097.96 and the California Historical Resources Information System administered by the California Office of Historic Preservation. Please also note that Public Resources Code, Section 21082.3 (c) contains provisions specific to confidentiality.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- Aesthetics
- Agriculture and Forestry Resources
- Air Quality
- Biological Resources
- Cultural Resources
- Energy
- Geology /Soils
- Greenhouse Gas Emissions
- Hazards & Hazardous Materials
- Hydrology / Water Quality
- Land Use / Planning
- Mineral Resources
- Noise
- Population / Housing
- Public Services
- Recreation
- Transportation
- Tribal Cultural Resources
- Utilities/Service Systems
- Wildfire
- Mandatory Findings of Significance

After Review of the Initial Study

Found that the proposed project COULD NOT have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.

Found that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. **A MITIGATED NEGATIVE DECLARATION** will be prepared.

Found that the proposed project MAY have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.

Found that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the effects that remain to be addressed.

Found that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or **NEGATIVE DECLARATION** pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or **NEGATIVE DECLARATION**, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE DE MINIMIS IMPACT FINDING: Yes No


Jurg Heuberger, Executive Officer

OCT. 5, 2023
Date:

PROJECT SUMMARY

- A. Project Location:** County of Imperial (entire county possible)
- B. Project Summary:** This is the expansion of the Pioneers Memorial Healthcare District boundary. The proposed expansion of their boundary could include the entire county or a substantial portion thereof. The project does not change any of their physical structures or operations at their location, nor would it require ECRMC to be part of the expanded district unless ECRMC chose to be a part. If ECRMC and PMH were to be operated under a single governance structure, i.e. the expanded district, no new facilities would be constructed as part of this expansion.
- C. Environmental Setting:** This is an expansion of a service area boundary for an existing district in Imperial County. It does not include any physical changes to any structures or areas, simply a boundary adjustment.

D. Analysis:

Background:

The Pioneers Memorial Health Care District filed an application with LAFCO to expand its service boundary to cover the entire county or at least a substantial portion thereof. See Exhibit A for a depiction of the current Pioneer's Memorial Healthcare District boundary.

There is another Health Care district known as the Heffernan Memorial Health Care District, (HMHD). The HMHD district covers an area located generally along the international border with Mexico, see Exhibit B for a depiction of the current Heffernan Memorial Healthcare District boundary.

PMHD currently operates a hospital along with associated facilities. HMHD does not operate a hospital at this time and has not for many years.

There is another hospital in Imperial County, known as the El Centro Regional Medical Center (ECRMC), which is a hospital owned and operated by the City of El Centro. ECRMC is not a special district hospital.

There have been many discussions between the above entities as well as other agencies about the formation of a countywide health care district. However, at this point, only PMHD has filed a request with LAFCO to start the process of expanding to a countywide health care district.

At the beginning of February, a meeting involving all of the above was held at the LAFCO office and the LAFCO process was explained. Also provided was a timeline within which a countywide district could potentially be formed. This also included information from County Elections which indicated that a special election could be held as early as Oct/Nov, however a special election could cost in the range of \$450,000.00.

Shortly after this meeting AB 918, a bill by Assembly Member Garcia was introduced. A copy of the original bill is available at the LAFCO office upon request. AB 918 was subsequently amended and at the writing of this report purports to automatically form a countywide district. Upon formation, the bill notes that HMHD automatically dissolves, and the assets transfer to the new district.

During the February meeting it was explained to the group that for LAFCO to consider the formation of such a district a full fiscal impact analysis (FIA) would be required.

Shortly after the February meeting the County Board of Supervisors authorized an allocation of up to \$200,000.00 for a fiscal impact analysis.

Analysis:

Currently the PMHD boundary encompasses an area (Exhibit A) mostly in the northern portion of Imperial County. Under the proposed expansion, the new boundary could cover the entire county or at least a substantial portion thereof. The boundary is to be determined upon the fiscal analysis being completed.

At the writing of this report, a request for fiscal information has been requested to ECRMC, PMHD, and HMHD.

The most critical component of the expansion of this district rests with the Fiscal Impact Analysis. To that end the fiscal analysis will include several versions to make sure that we have a full understanding of what a county wide assessment could look like under the various options.

The options are:

- A full analysis of a district whose boundary would be the entire county, with operational costs and projected costs, available from Pioneers only.
- A full analysis of a district whose boundary would be the entire county with operational and projected costs available from ECRMC and Pioneers
- A full analysis of a district whose boundary would be the entire county with operational costs projected by both ECRMC and PMHD with the assumption of 100% of ECRMC's cost and a similar debt projected by Pioneers for structural upgrades.

E. General Plan Consistency:

Since this is the expansion of an existing district to cover all or a substantial portion of the county and proposes no development or other land use entitlement an analysis for consistency with a general plan is not necessary.

Exhibit "A"
Pioneers Memorial Health Care District

Exhibit "B"
Heffernan Memorial Health Care District

Exhibit "C"
Proposed countywide boundary

EVALUATION OF ENVIRONMENTAL IMPACTS:

- 1) A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
- 4) "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from "Earlier Analyses," as described in (5) below, may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
 - a) Earlier Analysis Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c) Mitigation Measures. For effects that are "Less than Significant with Mitigation Measures Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
- 7) Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
- 9) The explanation of each issue should identify:
 - a) the significance criteria or threshold, if any, used to evaluate each question; and
 - b) the mitigation measure identified, if any, to reduce the impact to less than significance

Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
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I. AESTHETICS

Except as provided in Public Resources Code Section 21099, would the project:

- a) Have a substantial adverse effect on a scenic vista or scenic highway?
a) no physical change therefore no impact
- b) Substantially damage scenic resources, including, but not limited to trees, rock outcroppings, and historic buildings within a state scenic highway?
b) no physical change therefore no impact
- c) In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surrounding? (Public views are those that are experienced from publicly accessible vantage point.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?
c) no physical change therefore no impact
- d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?
d) no physical impact therefore no impact

II. AGRICULTURE AND FOREST RESOURCES

In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. --Would the project:

- a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?
a) no physical change to the environment therefore no impact
- b) Conflict with existing zoning for agricultural use, or a Williamson Act Contract?
b) no physical change to the environment therefore no impact
- c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?
c) no physical change to the environment therefore no impact
- d) Result in the loss of forest land or conversion of forest land to non-forest use?
d) no physical change therefore no environmental impact
- e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?
e) no physical change therefore no environmental impact

Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
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III. **AIR QUALITY**

Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to the following determinations. Would the Project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Conflict with or obstruct implementation of the applicable air quality plan?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Expose sensitive receptors to substantial pollutants concentrations?
c) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Result in other emissions (such as those leading to odors adversely affecting a substantial number of people)?
d) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

IV. **BIOLOGICAL RESOURCES** *Would the project:*

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?
c) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Interfere substantially with the movement of any resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?
d) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Conflict with any local policies or ordinance protecting biological resource, such as a tree preservation policy or ordinance?
e) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?
f) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
V. CULTURAL RESOURCES <i>Would the project:</i>				
a) Cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Disturb any human remains, including those interred outside of dedicated cemeteries? c) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VI. ENERGY <i>Would the project:</i>				
a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VII. GEOLOGY AND SOILS <i>Would the project:</i>				
a) Directly or indirectly cause potential substantial adverse effects, including risk of loss, injury, or death involving:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
1) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42? 1) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2) Strong Seismic ground shaking? 2) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3) Seismic-related ground failure, including liquefaction and seiche/tsunami? 3) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4) Landslides? 4) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable or that would become unstable as a result of the project, and potentially result in on- or off-site landslides, lateral spreading, subsidence, liquefaction or collapse? c) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on expansive soil, as defined in the latest Uniform	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
Building Code, creating substantial direct or indirect risk to life or property? d) no physical change therefore no environmental impact				
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water? e) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? f) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VIII. GREENHOUSE GAS EMISSION Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable plan or policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
IX. HAZARDS AND HAZARDOUS MATERIALS Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonable foreseeable upset and accident conditions involving the release of hazardous materials into the environment? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? c) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site, which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? d) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area? e) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
plan?				
f) no physical change therefore no environmental impact				
g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) no physical change therefore no environmental impact				

X. **HYDROLOGY AND WATER QUALITY** *Would the project:*

a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a) no physical change therefore no environmental impact				
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) no physical change therefore no environmental impact				
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(i) result in substantial erosion or siltation on- or off-site;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iii) create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iv) impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) no physical change therefore no environmental impact				
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) no physical change therefore no environmental impact				

XI. **LAND USE AND PLANNING** *Would the project:*

a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a) no physical change therefore no environmental impact				
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
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b) no physical change therefore no environmental impact

XII. MINERAL RESOURCES *Would the project:*

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

XIII. NOISE *Would the project result in:*

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Generation of excessive groundborne vibration or groundborne noise levels?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) For a project located within the vicinity of a private airstrip or an airport land use plan or where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?
c) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

XIV. POPULATION AND HOUSING *Would the project:*

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and business) or indirectly (for example, through extension of roads or other infrastructure)?
a) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?
b) no physical change therefore no environmental impact | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

XV. PUBLIC SERVICES

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
1) Fire Protection? 1) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2) Police Protection? 2) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3) Schools? 3) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4) Parks? 4) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5) Other Public Facilities? 5) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVI. RECREATION

a) Would the project increase the use of the existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse effect on the environment? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVII. TRANSPORTATION *Would the project:*

a) Conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Would the project conflict or be inconsistent with the CEQA Guidelines section 15064.3, subdivision (b)? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially increases hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? c) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in inadequate emergency access? d) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVIII. TRIBAL CULTURAL RESOURCES

a) Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place or object with cultural value to a California Native American tribe, and that is:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
(i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as define in Public Resources Code Section 5020.1(k), or (i) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
0 (ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American Tribe. (ii) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XIX. UTILITIES AND SERVICE SYSTEMS *Would the project:*

a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunications facilities, the construction of which could cause significant environmental effects? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have sufficient water supplies available to serve the project from existing and reasonably foreseeable future development during normal, dry and multiple dry years? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? c) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals? d) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste? e) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XX. WILDFIRE

If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the Project:

a) Substantially impair an adopted emergency response plan or emergency evacuation plan? a) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire? b) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment? c) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes? d) no physical change therefore no environmental impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Note: Authority cited: Sections 21083 and 21083.05, Public Resources Code. Reference: Section 65088.4, Gov. Code; Sections 21080(c), 21080.1, 21080.3, 21083, 21083.05, 21083.3, 21093, 21094, 21095, and 21151, Public Resources Code; Sundstrom v. County of Mendocino, (1988) 202 Cal.App.3d 296; Leonoff v. Monterey Board of Supervisors, (1990) 222 Cal.App. 3d 1337; Eureka Citizens for Responsible Govt. v. City of Eureka (2007) 147 Cal.App.4th 357; Protect the Historic Amador Waterways v. Amador Water Agency (2004) 116 Cal.App.4th at 1109; San Franciscans Upholding the Downtown Plan v. City and County of San Francisco (2002) 102 Cal.App.4th 656.

Revised 2009- CEQA
 Revised 2011- ICPDS
 Revised 2016 – ICPDS
 Revised 2017 – ICPDS
 Revised 2019 – ICPDS

Potentially Significant Impact (PSI)	Potentially Significant Unless Mitigation Incorporated (PSUMI)	Less Than Significant Impact (LTSI)	No Impact (NI)
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SECTION 3

III. MANDATORY FINDINGS OF SIGNIFICANCE

The following are Mandatory Findings of Significance in accordance with Section 15065 of the CEQA Guidelines.

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| <p>a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal, eliminate tribal cultural resources or eliminate important examples of the major periods of California history or prehistory?</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <p>b) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <p>c) Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

IV. PERSONS AND ORGANIZATIONS CONSULTED

This section identifies those persons who prepared or contributed to the preparation of this document. This section is prepared in accordance with Section 15129 of the CEQA Guidelines.

B. OTHER AGENCIES/ORGANIZATIONS

PMHD	No comments received
El Centro	City Attorney E. Martin (hereinafter EM) commented during the Commissions review of the Initial Study on May 25, 2023. The Commission considered her comments during the IS hearing and a response is included herein.
El Centro	City Manager, C. Cesena (hereinafter CC) commented during the Commissions review of the Initial Study (I.S.) and a response to his comments are included herein.

The following are responses to the comments received at the IS review by the parties listed above.

Key: (Q) = question or comment
(A) = answer or response

EM: (Q) My name is Elizabeth Martyn; I am the City Attorney in El Centro. I need to ask two questions. First of all, is your item only the Initial Study or does it include the adoption of a negative declaration?

(A) The purpose of the meeting was for the Commission to review the draft Initial Study, take public input and then recommend to staff the type of CEQA document that would be most appropriate for the public to review during a specific comment period and then for the Commission to consider adopting at the time the actual project is heard.

EM: (Q) We object that there is no impact on geology and soils. If this study goes forward, and Pioneers were to be the chosen hospital to survive, because that is what this really is about, it is about who survives. That is why you get this kind of rhetoric, then in fact, there will be no identification of their failure or refusal to comply with seismic requirements that has impact on geology and soils. Because geology and soils although it says geology and soils is actually in the first box about seismic impacts. Again, all I'm doing is telling you what is in the document we have submitted.

(A) Given that this project is the expansion of a service boundary for an existing district that proposes no physical improvements of any type such as new structures or new services and does not eliminate services and it does not affect any sovereign nation and there are no identified impacts on sovereign nations. This project is the expansion of Pioneer's existing service boundary which is a boundary on paper, and which does not make any physical on the ground changes and that is proposing to encompass the entire county, it is therefore intended to provide better health care opportunities for the County. It is also consistent with legislation that has been proposed to accomplish the same thing. It is NOT in any way an effort to make Pioneers the only hospital to "SURVIVE" as is being suggested by the commentor. In fact, the intent is to have the only other hospital, namely ECRMC become part of the overall district operations. However, since ECRMC is not a Special District, ECRMC cannot be required to become a part of the district, it can at its own choice become a part of it. On the other hand, Heffernan Memorial Health Care District is a Special District and if this application results in Heffernan's current boundary becoming part of the expansion the Heffernan Memorial Health Care District would be dissolved.

Once again, regardless of these choices, there is no physical or other change that would create an impact on geology or soils.

With regard to "seismic", the mere creation of a "paper boundary" does not create an environmental impact nor does it change compliance with current regulations. If Pioneers structures need to comply with current or new codes, they will have to comply whether or not the boundary of the district changes, therefore this project, i.e., the change in the boundary does not create a new environmental impact or requirement upon Pioneers or anyone else. Furthermore, a portion of Pioneers already complies with the States seismic requirement and if ECRMC is in compliance as has been stated by EC and ECRMC, then the new district may not be required to retrofit all of the facilities at PMHD which would further eliminate structural work and in fact make the overall costs to the new district, significantly less.

CC:

(Q) I would like to add to a comment under hazardous materials and hazards on page 18. I just received this, so I am actually you know reading through it. I believe that if there is a significant change in the makeup of a hospital's components facilities or campuses, there is going to be a significant change in the transportation or use of disposal of hazardous materials. Biohazardous disposal and components. For example, providing services and things like that sharps and you know those kinds of things have to be transported and processed off site most of the time.

(A) It is our understanding that neither ECRMC nor Pioneers currently control the routes that providers take. Additionally, transportation providers for these types of materials are generally regulated through Dept. of Transportation and can generally use a variety of routes. Certainly, they have to handle these materials in specific containers or methods, but we have found no restriction on routes of travel. Therefore, whether the materials are currently collected from ECRMC and transported to a destination outside of the valley or collected from Pioneers and transported outside of the valley with both having no control of routes, if one agency contracts i.e. one new district, the routing is still outside of that agencies control so no change in the environment would be created by virtue of having one versus two sources. In fact, it is likely that providers currently collect from both facilities. Furthermore, if one agency controls the disposal of hazardous waste rather than two uncoordinated agencies, it is more likely that not only could there be less traffic as neither facility generates enough waste to require a full truck load. The combined disposal will in fact create efficiencies, potentially less waste if duplication can be controlled or eliminated, and potentially less traffic given that only one agency ships the material.

EM:

(Q) On land use and planning I am objecting that the box that says there is no impact on the right-hand side of the page was checked. I am saying that you need to stop, take more time with your Initial Study, and determine if there are additional, there could be potential environmental impacts as a result of the initial study, if the scope that Mr. Heuberger has proposed for it is followed.

- a) Land use and planning and zoning are there. There has been no attempt to analyze. Remember I am commenting on the breadth and scope of your or lack thereof of your initial study. There has been no attempt to analyze any kind of zoning or land use issues, even though this is a countywide district, and we cannot really tell whether it is countywide or not because when you read the project descriptions they are somewhat overlapping and in cases contradictory. So am saying that before you move forward you need to make a more thorough analysis of these impacts and that is the kind of thing that LAFCO does.
- b) The issue is not whether it changes land use, the issue is does it have an impact. The purpose of your Initial Study is to look at these and say do these have impacts. Do they have direct impacts? Do they have indirect impacts? It is something where you normally would solicit input from other agencies before you

do this. That is my comment on land use whether you agree with it or not it is my comment.

(A) First and foremost, LAFCO does not have land use authority per se. Second, a health care district also does not have land use authority. Third encompassing an area, be it the entire county or a portion of a county for the purpose of including that area within the service boundary of a health care district does not change the land uses in any way. Providing health care services to the entire county by any health care district versus providing that service to only a portion of the county as the Pioneer's district currently does, in no way is that creating an impact on the land uses established by any jurisdiction. Health care services are provided to people that need the service whether they live in an R 1 (single family zone) or in an R 3 (multifamily zone) or in an industrial zone. By enlarging the service area of Pioneers, it simply allows for the potential of additional funding opportunities that would allow the district to potentially have more resources and therefore provide more or better service. If the question is based on the assumption that this health care district will develop a new hospital or other facilities, then the first answer is that is not the intent of creating this district and second, once the district is formed and it then decides to invest in new structures, the district would at that time have to address land use as well as CEQA for a defined project.

EM:

(Q) Public services, I have a similar comment. The question is whether or not the project would result in substantial physical impacts associated with governmental facilities. The answer I believe is yes because you are looking at hospital facilities.

(A) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services?

It then specifically asks about fire, police, schools etc.

First, with regard to police, whether or not there is one health care district or two as we currently have police will have to respond to emergency calls as they currently do. Having one district does not create a physical impact on any police department, does not require more officers or more buildings. Once again, the purpose of a single district does not equate to having only one hospital facility. Given the intent by EC in pursuing AB 918 to form the same district it has to be assumed that EC likewise believes that the two existing hospital facilities would continue to operate at their locations only under one governance structure.

Second with regard to fire, each fire department that currently provides EMT or other response services will continue to provide the same services. So again, no significant physical impacts are created on any current provider. Same as above in regard to both facilities continuing to be operational at their locations.

Third with regard to schools, changing a health care boundary or providing for a central county wide district to oversee health care in the valley does not directly impact the schools and if anything might only increase service ability due to better financial health being possible.

Fourth, having a county wide health care service versus having what is currently in place will not have an effect on any of the parks.

Fifth, with regard to other governmental services, having one administration or one overall system can only be a benefit to the community in potentially having a better financial structure that would allow the district to consolidate administrative support

thereby saving money and potentially gaining reimbursement from Medicare due to a higher bed count, and other efficiencies. Again, this does not create a substantial adverse physical impact rather, it has the potential to create a positive service-oriented improvement through cost savings, better reimbursement, and more focused service improvements by not duplicating services and sharing facilities. The fact is having one entity manage both existing hospitals has numerous financial benefits, including but not limited to better reimbursements for federal agencies, better cost control through consolidated purchasing, less duplicative services and the need for duplicative equipment.

Sixth, having one health care district will not affect any other government, such as the county or the cities and/or governmental services.

(Written or oral comments received on the checklist prior to circulation)

V. REFERENCES

VI. NEGATIVE DECLARATION – LAFCO

The following Negative Declaration is being circulated for public review in accordance with the California Environmental Quality Act Section 21091 and 21092 of the Public Resources Code.

Project Name: Pioneer's Memorial Healthcare District Expansion of District Boundary

Project Applicant: Pioneer's Memorial Healthcare District

Project Location: Countywide

Description of Project:

The Pioneers Memorial Health Care District has filed a request to expand their service district boundary to encompass the entire county or a substantial portion of Imperial County. The Imperial LAFCO will conduct an evaluation including a Fiscal Impact Analysis to determine to what extent the boundary can be expanded.

Additionally, if cooperation is obtained from the El Centro Regional Medical Center (ECRMC) this analysis will include ECRMC being united into one Health Care District. Since ECRMC is however not a "Special District" LAFCO has no direct authority to include them nor to dissolve them. ECRMC can however voluntarily become part of a county-wide health care district.

It should be noted that while this process started on February 2nd, 2023, LAFCO could not deem the request complete because legislation introduced in the form of AB 918, by Assemblymember Garcia, created issues that needed to be addressed.

Additionally, to perform a full Fiscal Analysis, funding needed to be secured and the County Board of Supervisors on February 22, 2023 allocated funding not to exceed \$200,000.

VII. FINDINGS

This is to advise that the Imperial LAFCO, acting as the lead agency, has conducted an Initial Study to determine if the project may have a significant effect on the environment and is proposing this Negative Declaration based upon the following findings:



The Initial Study shows that there is no substantial evidence that the project may have a significant effect on the environment and a NEGATIVE DECLARATION will be prepared.



The Initial Study identifies potentially significant effects but:

- (1) Proposals made or agreed to by the applicant before this proposed Mitigated Negative Declaration was released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur.
- (2) There is no substantial evidence before the agency that the project may have a significant effect on the environment.
- (3) Mitigation measures are required to ensure all potentially significant impacts are reduced to levels of insignificance.

A MITIGATED NEGATIVE DECLARATION will be prepared.

If adopted, the Negative Declaration means that an Environmental Impact Report will not be required. Reasons to support this finding are included in the attached Initial Study. The project file and all related documents are available for review at the Imperial Local Agency Formation Commission (LAFCO), 1122 State Street, Suite D, El Centro, CA 92243 (760) 353 – 4115 and online at <https://www.iclafco.com/hospital-formation>.

NOTICE

The public is invited to comment on the proposed Negative Declaration during the review period.

The REVIEW PERIOD is from October 11, 2023 to October 31, 2023.

October 10, 2023

Date of Determination

Jurg Heuberger, Executive Officer

The Applicant hereby acknowledges and accepts the results of the Environmental Evaluation Committee (EEC) and hereby agrees to implement all Mitigation Measures, if applicable, as outlined in the MMRP.

Applicant Signature

Date

IX. MITIGATION MONITORING & REPORTING PROGRAM (MMRP)

The Commission in reviewing the Initial Study and the comments made through the hearing process has determined that there are No Significant Environmental Effects through the expansion of an existing health care district by covering the entire county versus the district's current boundaries. Therefore, there are no mitigation measures required or proposed.

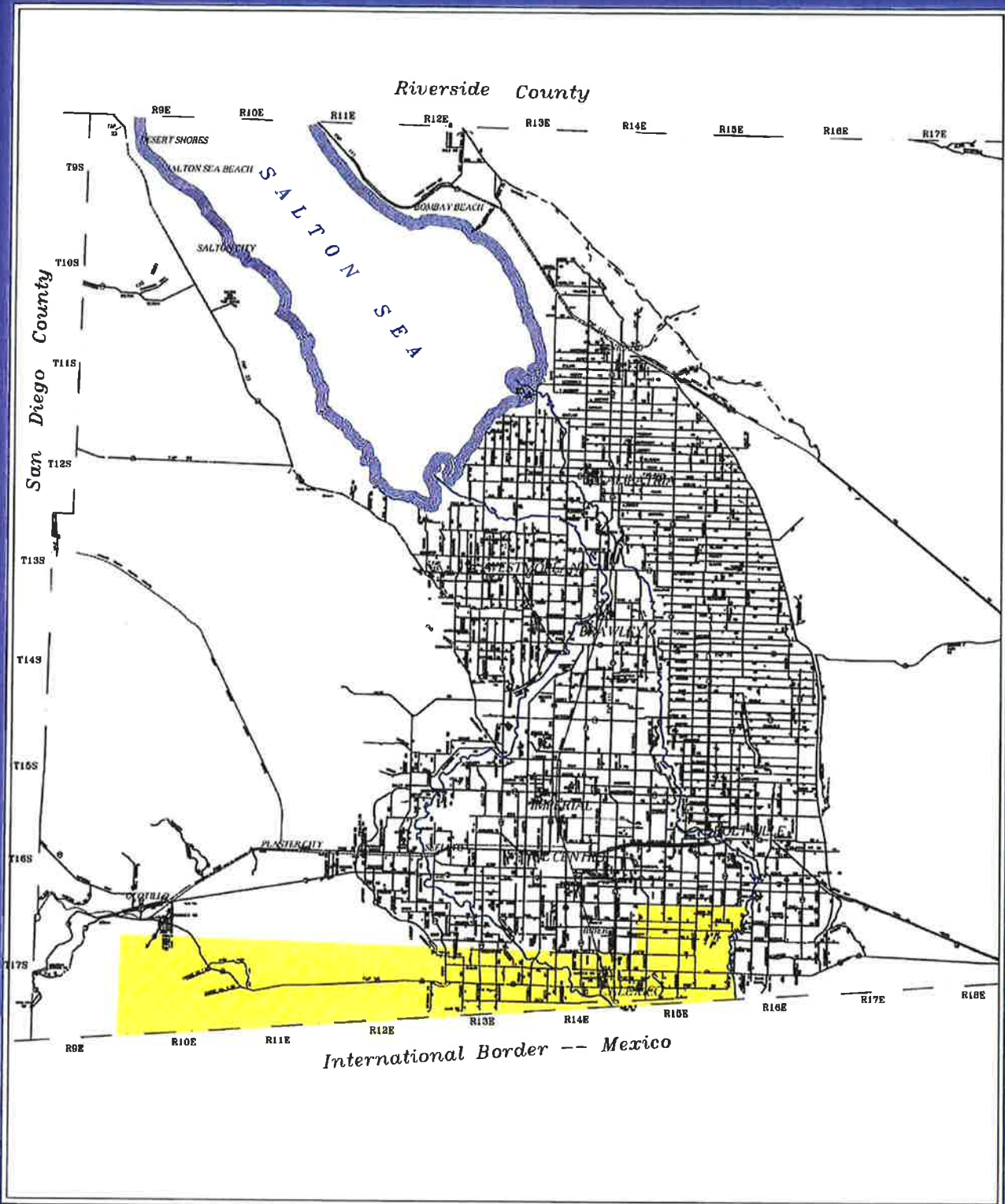
This proposed Draft Negative Declaration of Environmental Impacts is being circulated to allow the public to comment prior to the Commission considering the Project.

All comments should be directed to the Executive Officer of IC LAFCO at 1122 W State St., El Centro, Ca., 92243.

Comments should be received no later than October 31, 2023. The Commission will consider all comments prior to making any final decision on the project.

EXHIBIT A

EXHIBIT B



Heffernan Memorial Healthcare District
 Imperial Local Agency Formation Commission
 1122 W. State St., Suite D, El Centro, CA 92243

SOI as of 05/26/16



EXHIBIT C

COUNTY OF IMPERIAL



1" = 79312 ft

Sub Title

05/03/2023



This map may represent a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

EXHIBIT I



OCTOBER 10, 2023

PUBLIC NOTICE

NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION

NOTICE IS HEREBY GIVEN that the Imperial Local Agency Formation Commission is proposing to adopt a Negative Declaration in accordance with the California Environmental Quality Act (CEQA) and the Imperial Local Agency Formation Commission "RULES AND REGULATIONS TO IMPLEMENT CEQA", the Imperial Local Agency Formation Commission will meet on **November 16, 2023**, at **08:30 a.m.** in the City of El Centro Council Chambers, 1275 W. Main Street, El Centro, to review the below-mentioned project:

Applicant: The Pioneers Memorial Healthcare District has submitted a Resolution of Application proposing to expand the district service boundaries to encompass the entire county or a substantial portion of Imperial County.

Any written comments on the Negative Declaration should be sent to the Imperial Local Agency Formation Commission no later than October 31, 2023, at 5:00 p.m. at the address or e-mail address listed below. This proposed Negative Declaration can be reviewed at the LAFCO Office at 1122 W. State St., Suite D, El Centro, CA 92243 Monday-Thursday from 8-5 or on the LAFCO website at <https://www.iclafco.com/hospital-formation>. For additional information, please contact Jurg Heuberger at 760-353-4115 or by e-mail: jurgh@iclafco.com.

EXHIBIT J

Elizabeth L. Martyn
martynlaw2000@aol.com

REPLY TO:
 ROSEVILLE ONTARIO

October 31, 2023

Jurg Hueberger
Executive Officer
Imperial County LAFCO
1122 State St., Suite D
El Centro, CA 92243

Re: Comments on the Initial Study and Negative Declaration for Annexation 2023-02

Dear Mr. Hueberger:

In response to the LAFCO Notice of Public Hearing, the City of El Centro provides the following comments on the Initial Study and Negative Declaration. The City also specifically includes the comments made at the May 25, 2023 hearing regarding the initial study and negative declaration.

As a procedural matter, we do not believe the location of posting on LAFCO's website gave other agencies or the public sufficient notice of the ability to comment on the Initial Study and Negative Declaration, as the information was not posted under "Hearings" but under "PMHD Expansion." CEQA provides that the lead agency shall solicit informal consultation on the initial study while the initial study is being prepared to obtain the recommendation of other agencies as to whether an EIR or a negative declaration will be prepared. (14 Cal Code Regs Section 15063(g)). We are not aware that such informal consultation was solicited or occurred.

COMMENTS ON LAFCO INITIAL STUDY/NEGATIVE DECLARATION

Project Description is Fundamentally Flawed

1) The project description provided in the Initial Study does not provide a complete description of the project and does not afford the public a meaningful opportunity to comment on the project and its potential environmental effects. "[A]n accurate, stable and finite project description is the *sine qua non* of an informative and legally sufficient" environmental document (*County of Inyo v. City of Los Angeles* (1977) 71 Cal.App.3d 185, 200). The project description provided in the Initial Study is neither stable nor finite as it impermissibly defers a final project description (identifying a specific project boundary) to a later date once a fiscal impact analysis is completed. This presents a "moving target" that precludes the public from understanding the project and providing meaningful comment, which is a paramount requirement of CEQA (*Washoe Meadows Community v. Department of Parks and Recreation* (2017) 17 Cal.App.5th 277). Further, "A curtailed or distorted project description may stultify the objectives of the reporting

process,” as a project description that is accurate, stable, and finite is fundamental and allows “affected outsiders and public decision-makers to balance the proposal's benefit against its environmental cost, consider mitigation measures, assess the advantage of terminating the proposal...and weigh other alternatives in the balance” (*County of Inyo v. City of Los Angeles, supra, 71 Cal.App.3d at p. 192-93*).

In general, the project description provided in the Initial Study is brief and does not adequately describe the project to a degree that would allow for meaningful or accurate evaluation of whether a significant environmental impact would result with project implementation. Project details are essentially described in a paragraph or two, which appears to be limited given the extent of the proposed project as affecting the entirety of Imperial County. Further, most of the project description is focused on the condition that a fiscal impact analysis has not yet been completed and speculates on potential financial impacts on the City of El Centro, which are outside the scope of the proposed project (refer also to Comment 2 under Economic Issues Related to Project Implementation, below).

The information provided in the project description does not adequately describe the baseline condition nor provide a clear project understanding upon which an accurate analysis of potential environmental impacts can be undertaken. The IS/ND is therefore deficient in this regard.

2) Exhibit “C,” Proposed Countywide Boundary,” of the Initial Study, which shows the boundary as the entirety of Imperial County, is intended to illustrate the boundary of the area affected by the proposed project. However, on page 11, under Section D, Analysis, the Initial Study states “The Pioneers Memorial Health Care District filed an application with LAFCO to expand its service boundary to cover the entire county or at least a substantial portion thereof.” On page 12 of the Initial Study, the project description states that “Under the proposed expansion, the new boundary could cover the entire county of at least a substantial portion thereof. The boundary is to be determined upon the fiscal analysis being completed.”

The Initial Study therefore includes contradictory information and provides the reader with an unclear description of what the actual area affected by the proposed project is. Such misinformation presents a fundamental flaw in clearly delineating the project area to be analyzed pursuant to CEQA and that would be potentially affected by the proposed project. Therefore, the consideration of any potential project impacts, or lack of project impacts, cannot be accurately analyzed in the document, nor a finding of significance made. The IS/ND is deficient in providing such information pursuant to CEQA.

Improper Tiering from the 1993 County of Imperial General Plan Program EIR

1) Pursuant to CEQA Guidelines Section 21157.1, Review of Subsequent Projects Described in Report; Requirements, the preparation and certification of a master environmental impact report, if prepared and certified consistent with this division, may

allow for the limited review of subsequent projects that were described in the master environmental impact report as being within the scope of the report, in accordance with the following requirements:

(a) The lead agency for a subsequent project shall be the lead agency or any responsible agency identified in the master environmental impact report.

(b) The lead agency shall prepare an initial study on any proposed subsequent project. This initial study shall analyze whether the subsequent project may cause any significant effect on the environment that was not examined in the master environmental impact report and whether the subsequent project was described in the master environmental impact report as being within the scope of the report.

(c) If the lead agency, based on the initial study, determines that a proposed subsequent project will have no additional significant effect on the environment, as defined in subdivision (d) of Section 21158, that was not identified in the master environmental impact report and that no new or additional mitigation measures or alternatives may be required, the lead agency shall make a written finding based upon the information contained in the initial study that the subsequent project is within the scope of the project covered by the master environmental impact report. No new environmental document nor findings pursuant to Section 21081 shall be required by this division. Prior to approving or carrying out the proposed subsequent project, the lead agency shall provide notice of this fact pursuant to Section 21092 and incorporate all feasible mitigation measures or feasible alternatives set forth in the master environmental impact report which are appropriate to the project. Whenever a lead agency approves or determines to carry out any subsequent project pursuant to this section, it shall file a notice pursuant to Section 21108 or 21152.

(d) Where a lead agency cannot make the findings required in subdivision (c), the lead agency shall prepare, pursuant to Section 21157.7, either a mitigated negative declaration or environmental impact report.

The Initial Study prepared for the proposed project does not sufficiently analyze whether the project may cause any significant effect on the environment that was not examined in the master environmental impact report, or whether the project was described in the master environmental impact report as being within the scope of the report. No analysis is provided for each of the significance thresholds identified in the IS/ND, nor is data provided in support of the finding of "No Impact." The finding of "No Impact" for all thresholds is unsubstantiated within the IS/ND, and a determination of whether the proposed project would have no additional significant effect on the environment, as defined in subdivision (d) of Section 21158, that was not identified in the master environmental impact report and that no new or additional mitigation measures or alternatives may be required, is unclear. Further, pursuant to Section 21157.1(c), prior to approving or carrying out the proposed project, the lead agency shall incorporate all

feasible mitigation measures or feasible alternatives set forth in the master environmental impact report which are appropriate to the project; such information is not addressed nor provided in the IS/ND as prepared.

Based on the lack of analysis provided in the IS/ND, a finding of significance cannot be made for each of the significance thresholds identified. The lead agency cannot make the findings of “No Impact” as indicated, without supporting evidence or discussion as to how such a conclusion was reached. The IS/ND is deficient in this regard and represents a violation based on non-compliance with CEQA.

2) Page 6 of the Initial Study indicates that in incorporating a document by reference, the incorporation must comply with Section 15150 of the CEQA Guidelines as follows: “These documents must summarize the portion of the document being incorporated by reference or briefly describe information that cannot be summarized. Furthermore, these documents must describe the relationship between the incorporated information and the analysis in the tiered documents (CEQA Guidelines Section 15150(c)). As discussed above, the tiered EIRs address the entire project site and provide background and inventory information and data which apply to the project site. Incorporated information and/or data will be cited in the appropriate sections.”

The Initial Study fails to clearly summarize the information from the prior EIR being incorporated by reference in the Initial Study, nor does it describe any information that cannot be summarized. The Initial Study also does not clearly describe the relationship between the incorporated information and the analysis in the tiered documents. It is not specified how the EIR being tiered from addresses the area potentially affected by the proposed project, nor is background information or data which apply to the project site provided in the Initial Study. No information is incorporated into the Initial Study in evaluating whether a significant impact would occur, and in fact, no discussion is provided under each topic area in analyzing whether an impact would result. No citations are therefore made in any of the sections where analysis should be provided. Further, no connection is made as to how the proposed project was analyzed for each topic area in the original 1993 County of Imperial General Plan EIR from which the document claims to be tiering from. Therefore, the IS/ND is deficient in this regard.

3) Section 15152(d) and (e) of the CEQA Guidelines require that, in tiering from the 1993 County of Imperial General Plan EIR, the IS/ND demonstrate that the proposed project is consistent with the program, plan, or policy set forth in the 1993 EIR; is consistent with the applicable general plan of all included jurisdictions; is applicable with applicable zoning of all included jurisdictions; and does not have new information. The IS/ND is deficient in providing such discussions or supporting information, and therefore does not conform to CEQA in this regard.

4) Pursuant to CEQA Guidelines Section 21157.5(a), a proposed mitigated negative declaration shall be prepared for any proposed subsequent project if both of the following occur:

(1) An initial study has identified potentially new or additional significant effects on the environment that were not analyzed in the master environmental impact report.

(2) Feasible mitigation measures or alternatives will be incorporated to revise the proposed subsequent project, before the negative declaration is released for public review, in order to avoid the effects or mitigate the effects to a point where clearly no significant effect on the environment will occur.

Further, if there is substantial evidence in light of the whole record before the lead agency that the proposed subsequent project may have a significant effect on the environment and a mitigated negative declaration is not prepared, the lead agency shall prepare an environmental impact report or a focused environmental impact report pursuant to Section 21158 (Section 21157.5(b)).

The Initial Study prepared for the proposed, subsequent project does not provide any analysis, supporting data, or statement of findings of significance and only checks the boxes indicating “No Impact” with no explanation or supporting evidence as to why that conclusion is made. Further, in tiering from the 1993 County of Imperial General Plan EIR, the discussions, evaluation of potentially new or additional significant impacts, findings of significance, and feasible mitigation measures (as appropriate) need to be considered relative to the proposed project and discussed as such. The Initial Study is therefore deficient in this aspect relative to CEQA and requires revision to effectively evaluate potential impacts resulting with implementation of the project as proposed.

Initial Study Analysis and Significance Determinations are Deficient, Conclusory, and Not Supported by Substantial Evidence

1) Pursuant to Section 15063(d)(1) of the CEQA Guidelines, the contents of an Initial Study shall include “an identification of the environmental setting.” As provided on page 11, under Project Summary, Section C, Environmental Setting, of the Initial Study, a brief discussion is provided, stating “This is an expansion of a service area boundary for an existing district in Imperial County. It does not include any physical changes to any structures or areas, simply a boundary adjustment.”

This discussion does not provide any relevant context or detail as to the current environmental setting that would be affected by the proposed project. Instead, it provides a description of the proposed action to take place. No details on existing conditions, existing facilities or services, or even the extent of the affected area itself are provided. Therefore, the reader does not gain an understanding of the existing conditions or setting that may be affected with project implementation. The discussion provided to describe

the environmental setting is therefore deficient and fails to effectively fulfill the requirement pursuant to CEQA.

2) Pursuant to Section 15063(d)(3) of the CEQA Guidelines, the contents of an Initial Study shall include “an identification of the environmental effects by use of a checklist, matrix, or other method provided that entries on a checklist are briefly explained to indicate there is some evidence to support the entries. The brief explanation may be either through a narrative or reference to another information source such as an attached map, photographs, or an earlier EIR or negative declaration. A reference to another document should include, where appropriate, a citation to the page or pages where the information is found.”

As stated, the checklist has been completed to indicate a finding of “No Impact” for all of the significance thresholds identified; however, no explanation of how such findings were concluded is provided, nor is any supporting evidence or data given to support the entries. If the IS/ND intends to reference another information source (i.e., the earlier 1993 County of Imperial General Plan EIR), reference to this document should include citations to the page or pages where the information is found. The IS/ND provides no such discussions or citations and is deficient in this regard.

3) Pursuant to 15063(d)(5) of the CEQA Guidelines, an Initial Study shall include “an examination of whether the project would be consistent with existing zoning, plans, and other applicable land use controls.”

All boxes for pertaining to Land Use and Planning in the Initial Study checklist have been marked to indicate a finding of “No Impact.” However, no narrative or substantiation of the finding of “No Impact” is provided. Further, no comparison to or discussion of potentially significant impacts identified in the 1993 County of Imperial General Plan EIR is provided, nor does the IS/ND sufficiently evaluate whether the project, which would expand the boundaries of an existing service district to allow for provision of health care services at a regional level, would be consistent with existing zoning, plans, or other applicable land use controls. Therefore, the IS/ND is deficient in this regard.

4) Pursuant to 15064(d) of the CEQA Guidelines, “In evaluating the significance of the environmental effect of a project, the Lead Agency shall consider direct physical changes in the environment which may be caused by the project and reasonably foreseeable indirect physical changes in the environment which may be caused by the project.”

Although the proposed project would result in a boundary adjustment to an existing service district and would not directly result in new physical construction, the project may have indirect effects over time. Such effects were not adequately evaluated in the IS/ND, as discussed further below.

Greenhouse Gas Emissions

The IS/ND states that the analysis in the ND is tiering from the 1993 County of Imperial General Plan EIR; however, the 1993 EIR does not address potential effects on greenhouse gas emissions (GHG)/global climate change. Yet, the IS/ND indicates “No Impact” for all thresholds identified in the Initial Study checklist relative to GHG emissions, with no supporting analysis, data, or discussion provided. Therefore, the IS/ND is deficient in evaluating potential effects of the proposed project relative to GHG emissions.

Further, although the proposed project would not result in physical construction with implementation, expansion of the boundary of the Health Care District may have a potential indirect effect on GHG production, in particular as the result of mobile emissions due to increased travel distances that people (including patients and medical staff) may experience in accessing health care facilities or in the transporting of patients via emergency vehicle to such facilities. For example, greater driving distances may be required if certain health care facilities within the county are identified to provide specific, specialized treatment (for example, one facility may offer specialized cancer treatment, while another may be identified to provide specialized cardiology-related services). Therefore, expansion of the Health Care District service boundary (which is not yet finite as provided in the project description), may have the indirect effect of substantially increasing mobile GHG emissions in this regard. Further, a proper baseline condition is not provided in the IS/ND relative to existing travel distances or how transportation routes may change with the project, therefore negating an accurate analysis of resulting GHG impacts. Such indirect effects were not considered or evaluated in preparing the IS/ND and therefore represents an omission in complying with CEQA.

Air Quality

Similarly, the IS/ND indicates a “No Impact” finding for all significance thresholds listed relative to project effects on air quality. However, no baseline is provided upon which potential project effects may be evaluated, nor is any substantiation provided to support a finding of “No Impact.” Further, the IS/ND does not consider the potential secondary (indirect) effects that may result from a change in travel patterns or increased driving distances required (for emergency vehicles or patients/medical staff), as discussed above. Therefore, the IS/ND fails to properly evaluate potential indirect (mobile) impacts on air quality resulting with project implementation and is deficient in this regard.

Hazards and Hazardous Materials

Similarly, based upon the discussion provided above, a change in emergency vehicle travel patterns or transport routes may occur, as well as the quantities of hazardous materials generated and/or frequency of transport of hazardous materials, with expansion of the Health Care District boundary to countywide. Further, a stable baseline describing existing conditions relative to hazardous waste generation and transport should be

established; no such details are currently provided in the IS/ND that allow the public to understand existing conditions relative to hazards and hazardous materials that may be affected by project implementation. The IS/ND identifies a finding of “No Impact” for each of the significance thresholds, but provides no substantiation to support such a conclusion. The lead agency must make a good faith effort to evaluate potential risks and exposure of sensitive receptors to such potential hazards resulting with project implementation.

Noise

The IS/ND indicates that the proposed project would have “No Impact” for all of the significance thresholds identified relative to noise. However, as noted, transportation patterns may be affected by the proposed boundary change to the Health Care District, causing emergency vehicles to travel to different areas of the County, to take different travel routes to access particular facilities, or to travel longer distances to access specific facilities (particularly, if one or more existing facilities cease to operate). The IS/ND did not evaluate how this potential change in travel patterns may result in increased exposure of people along such travel routes to new sources of noise from sirens (and associated flashing lights) operating on emergency vehicles traveling such routes. Such noise may therefore result in a substantial temporary or permanent increase in ambient noise levels and may adversely affect sensitive receptors. The IS/ND is therefore deficient in considering such potential effects.

Public Services

Similarly, the IS/ND indicates that for all thresholds considered, the proposed project would have “No Impact” on public services. Although the project would not directly result in physical construction of new facilities, formation of a countywide Health Care District may result in increased pressure on health care services within the county over time, including hospitals, emergency medical transport (EMT), and other related services and facilities. Additionally, transport times and response times for patients and emergency vehicles may increase if, due to economy of scale, certain facilities within the expanded Health Care District become specialized, potentially making commutes longer than that experienced under current conditions (i.e., a patient may be transported via emergency vehicle to a particular hospital specializing in trauma or cardiac care, depending on the event and need for specific health care services).

The IS/ND does not provide any analysis as to the potential for indirect project effects wherein increased demand for health care services within the county, due to an expanded service boundary, may subsequently lead to substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, or need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives. Thus, the IS/ND fails to sufficiently

consider such potential effects of the proposed project, nor does it consider relevant conditions or impacts on public services discussed in the 1993 County of Imperial General Plan EIR from which the IS/ND is said to be tiering from. The IS/ND is therefore deficient in evaluating such potential project effects and violates CEQA compliance as a result.

Transportation/Vehicle Miles Traveled

Similar to GHG emissions, the IS/ND states that the document tiers from the analysis and findings provided in the 1993 County of Imperial General Plan EIR; however, the 1993 EIR does not address potential effects relative to vehicle miles traveled (VMT). The IS/ND indicates “No Impact” for all thresholds identified in the Initial Study checklist for transportation-related issues, including relative to VMT, with no supporting analysis, data, or statement of finding of significance provided.

Although the proposed project would not result in physical construction with implementation (and therefore, would not directly generate new uses that would result in vehicle trips), expansion of the Health Care District to include the entirety of Imperial County may have an indirect effect on VMT due to increased travel distances that people may experience in accessing health care. As stated above, greater driving distances may be required for residents of the county (and elsewhere) to access various health care facilities, particularly if certain facilities are designated to provide specialized treatment. Therefore, expansion of the Health Care District service boundary may have the indirect effect of substantially increasing VMT, thus potentially conflicting with or resulting in inconsistency with CEQA Guidelines Section 15064.3, and a new significant impact may occur. This potential indirect effect was not considered or evaluated in preparation of the IS/ND and therefore represents an omission in complying with CEQA.

Assembly Bill (AB) 52 Consultation Requirements

1) Pursuant to Public Resources Code Section 21074, AB 52 consultation requirements apply to any project for which a Notice of Preparation, Notice of Mitigated Negative Declaration, or Notice of Negative Declaration is filed on or after July 1, 2015.

Section 13, page 9 of the Initial Study, does not indicate that any notifications were provided to the tribes that have requested that the lead agency (herein, LAFCO) provide notification of projects in a Tribe’s area of traditional and cultural affiliation. The Initial Study simply states that “No California Native American tribes have requested consultation,” without providing any evidence of whether notification letters were sent to relevant Tribes that have requested such notification or whether any correspondence was received from Tribes as a result. Further, even if no Tribes requested consultation, it is appropriate to contact relevant Tribes as identified by the Native American Heritage Commission to engage feedback as to whether they have an interest in the project being considered. In this case, the Quechan should have been contacted. AB 918 includes the

tribe within the boundaries of the new healthcare district, with a seat on the Board, while proceeding with this annexation removes that participation.

The disclosure of such information is required to help inform the public and relevant agencies that AB 52 notification procedures were adhered to by LAFCO and that no violations have occurred. The Initial Study is therefore deficient in this regard. Further, the 1993 County of Imperial General Plan EIR did not include an evaluation or finding as to whether implementation of the General Plan would result in potentially significant impacts on tribal cultural resources. Yet, the Initial Study for the proposed project checks the boxes indicating “No Impact” without any evaluation, discussion, or supporting data being provided. Therefore, the finding of “No Impact” on tribal cultural resources is unsupported and the “analysis” is deficient in demonstrating project compliance with CEQA.

Economic Issues Related to Project Implementation

1) CEQA requires an analysis of physical impacts to the environment; it does not require analysis of project costs or economic impacts. Under CEQA, “[a]n economic or social change by itself shall not be considered a significant effect on the environment” (CEQA Guidelines, Sections 15131 and 15382). Effects analyzed under CEQA must be related to a physical change (CEQA Guidelines, Section 15358(b)). Potential effects of a project on economic property values or quality of life are not considered environmental topics of concern relevant to CEQA.

The project description included in the Initial Study speculates on potential financial impacts of the proposed project on the City of El Centro which are outside the scope of the project review and of LAFCO itself. As an example, page 12 of the Initial Study states “The most critical component of the expansion of this district rests with the fiscal impact analysis. To that end, the fiscal analysis will include several versions to make sure that we have a full understanding of what a county wide assessment could look like under the various scenarios.” Further, the Initial Study (page 12) states “The boundary is to be determined upon the fiscal analysis being completed.” Such statements are in conflict with the CEQA Guidelines and should therefore be removed from the document.

2) As noted above, the Initial Study indicates that a critical component of the expansion of the Health Care District is the fiscal impact analysis and that the boundary of the district is to be determined upon completion of the fiscal analysis. Therefore, the boundary of proposed project was unknown at the time the Initial Study was prepared and the project area being analyzed in the IS/ND is not defined, thereby making the scope and consideration of potential project impacts inaccurate and incomplete. The Initial Study is required to clearly establish an initial baseline so that changes occurring as the result of project implementation can be properly evaluated. No finite baseline condition has been established in the IS/ND due to the deficient and incomplete project description that is

provided, in combination with the lack of results from the fiscal impact analysis. Therefore, the IS/ND is deficient relative to CEQA in this regard.

The City separately will provide additional comments on the other items to be considered at the November 16, 2023 hearing, (i.e. the “*Fiscal Impact Study to determine a proposed County-Wide tax amount, and the approval/denial for the expansion of the Pioneers Memorial Healthcare District (PMHD) to expand its current boundary to cover the entire County of Imperial or a substantial portion thereof, to include, concurrent therewith, the dissolution of the Heffernan Memorial Healthcare District. Also, to include directions to the Board of Supervisors to schedule during the next regular election a measure to add a tax to all parcels of land within the County that are allowed to be taxed.*”

In submitting these comments, the City reserves all rights to comment on these or related matters, specifically including but not limited to LAFCO’s lack of authority to proceed with this annexation, as more specifically set out in the October 13, 2023, letter to LAFCO. Once again, we urge you to comply with the provisions of state law without forcing legal action.

Sincerely,

Elizabeth L. Martyn

Elizabeth L. Martyn
COLE HUBER LLP
City Attorney, City of El Centro

ELM/rmb

EXHIBIT K



October 31, 2023

Jurg Heurberger
Executive Officer
Imperial County LAFCO
1122 W. State St.
Ste. D
El Centro, CA 92243

SUBJECT: Notice of Intent for a Negative Declaration for the Countywide Health Care District

Dear Mr. Heurberger,

The Imperial County Air Pollution Control District (Air District) appreciates the opportunity to review and comment on the Notice of Intent for a Negative Declaration (NOI-ND) for the Imperial Local Agency Formation Commission's (LAFCO) for a Countywide Health Care District (Project) and the supporting Initial Study (IS) # 2023-01. The project proposes the expansion of the existing Pioneers Memorial Health Care District's boundaries to encompass the entire County of Imperial.

The Air District has no comments for the project at this time and simply requests to be notified when the Negative Declaration is filed.

For convenience, the Air District's rules and regulations are available via the web at <https://apcd.imperialcounty.org/rules-and-regulations/>. Please feel free to call our office should you have any questions or concerns at (442) 265-1800.

Respectfully,

A handwritten signature in blue ink, appearing to read "Ismael Garcia".

Ismael Garcia
Environmental Coordinator I

A handwritten signature in blue ink, appearing to read "Monica N. Soucier".

Reviewed by:
Monica N. Soucier
APC Division Manager

EXHIBIT L

Memorandum

To: Jurg Heuberger, Executive Officer, Imperial LAFCo

From: Matt Kowta, MCP, Managing Principal

Date: November 7, 2023

Re: Hospital Fiscal Projections

The attached printouts detail the fiscal projections prepared by BAE for two hospital district expansion scenarios considered by Imperial LAFCo. These include Option 1, a countywide expansion of the Pioneers Memorial Hospital District (PMHD) that would absorb both El Centro Regional Medical Center (ECRMC) and the Heffernan Memorial Hospital District (HMHD), and Option 2, an expansion of the PMHD to the entire county except the City of El Centro. Under Option 2, PMHD would not absorb ECRMC but would absorb HMHD. The analysis assumes that projected annual funding gaps would need to be filled by a newly established, voter-approved parcel tax within each respective Option's service area (i.e., countywide for Option 1, countywide minus the City of El Centro for Option 2).

Table 1 outlines the key features and assumptions for Option 1 and Option 2.

Table 2 summarizes the projected ongoing annual funding gap for Option 1.

Table 3 summarizes the projected ongoing annual funding gap for Option 2.

Table 4 summarizes the estimated average annual tax levy that would need to be applied to each taxable parcel in order to close the projected annual funding gaps identified at the bottom of Tables 2 and 3. Table estimates higher annual parcel tax levies for an initial six-year period during which debt to the State's Distressed Hospital Loan Program (DHL) would be repaid, and then lower ongoing annual parcel tax levies for subsequent years, once the DHL program debts are paid off.

Appendix A summarizes historical budget information for PMHD and ECRMC which was used to estimate the Existing Structural Budget Gaps for the two hospital systems.

Appendix B provides detail on Estimated Administrative Costs for PMHD and ECRMC, for the purposes of estimating potential administrative cost savings under Option 1.

Appendix C provides detail on PMHD Earthquake Retrofit and IT Capital Upgrade Debt Service Assumptions.

The assumptions and calculations included in the attached tables and appendices were reviewed in draft form on several occasions with Imperial County hospital system stakeholders, including representatives of PMHD, ECRMC, Imperial LAFCo, City of El Centro and County of Imperial.

At a meeting of stakeholders convened by LAFCo on November 2, 2023, BAE presented a draft set of Hospital Fiscal Projections to the stakeholder group for review and discussion. The group agreed that the projections provided a reasonable representation of the funding needs under the two hospital district expansion options considered. BAE subsequently made some minor labeling adjustments to the tables for clarity and is now providing the attached set of calculations for LAFCo's use.

Table 1: Summary of Hospital District Options and Assumptions

Description	Option 1:	Option 2:
	<u>Countywide Expansion</u>	<u>Countywide Expansion Minus El Centro</u>
Description	Pioneers expands to cover entire county and absorbs El Centro Regional Medical Center and Heffernan Memorial Healthcare District	Pioneers expands to entire county, less City of El Centro, and also absorbs Heffernan Memorial Healthcare District
Comment	Potential economies of scale and creation of countywide taxing district	No economies of scale; ECRMC remains independent; expanded taxing district for Pioneers is countywide less City of El Centro
Existing Structural Budget Gaps		
Pioneers	~\$1 million/year	~\$1 million/year
ECRMC	~\$10 million/year	N.A.
Cost Savings		
Administrative Costs	Save 25% of estimated current admin. costs for PMHD and ECRMC	N.A.
UCSD Synergies (KH)	~\$7.5 million/per year	N.A.
Performance Improvement (KH)	~\$5 million/year	N.A.
Outmigration Mitigation (KH)	~\$0.8 million/year	N.A.
Increased Debt Service	Annual Debt Service for ~\$130 million capital cost for Pioneers seismic upgrades	Annual Debt Service for ~\$130 million capital cost for Pioneers seismic upgrades
	\$20 million for IT upgrades to enable UCSD Synergies	N.A.
	\$9.3 million/yr Loan Repayment (\$56 million total, averaged over 6-year repayment period) for Distressed Hospital Loan Program Loans for PMHD and ECRMC	\$4.7 million/yr Loan Repayment (\$28 million total, averaged over 6-year repayment period) for Distressed Hospital Loan Program for PMHD only
Potential Revenue Losses		
Reduction in Supplemental Payments (SCA)	~\$2.2 million/yr	N.A.
Potential Revenue Increases		
Increased Medicare Reimbursement, Sole Community Hospital Status (PMHD)	~\$5 million/yr	N.A.
Transfer of Heffernan Property Tax to Expanded District	\$853,000 in 2022-2023 \$	\$853,000 in 2022-2023 \$
Taxing District	Countywide	Countywide minus City of El Centro

Sources: Kaufman-Hall, 2023; Steve Clark & Associates, ECRMC, PMHD, HHMD, County of Imperial, BAE, 2023.

Table 2: Option 1: Countywide Hospital District Expansion

Existing Net Change in Position (Annual)

Pioneers Memorial Health Care District (a)	(\$1,000,000) per year
El Centro Regional Medical Center (b)	(\$10,000,000) per year

Potential Cost Savings/Revenue Increases (Annual)

Combined Administrative Savings (c)	\$4,390,000 per year
Other Combined Operating Impacts (d)	\$13,300,000 per year

Increased Debt Service (Annual)

Pioneers New Debt Service (e)	(\$12,220,000) per year
Distressed Hospital Loan Repayment (f)	(\$9,333,333) per year, 6 fiscal years

Potential Revenue Losses/New Revenue Needs

Reduction in Supplemental Payments (g)	(\$2,200,000)
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Potential Revenue Increases (Annual)

Consolidated District Revenue Increase (h)	\$5,000,000 per year
Transfer of HHMD Property Tax Base	\$850,000 per year

TOTAL FUNDING GAP, ANNUAL (First 6 Fiscal Years) (\$11,213,000) per year

Total Funding Gap, Annual (Fiscal Years 7+) (\$1,879,667) per year

Notes:

(a) See Appendix A

(b) See Appendix A

(c) Assumes 25% savings from combined PMHD and ECRMC administrative costs estimated in Appendix B.

(d) From Kaufmann-Hall 2023 Executive Summary: UCSD Synergies, Performance Improvement, Outmigration Mitigation.

(e) See Appendix C.

(f) \$56 million combined PMHD and ECRMC loans, interest free, divided equally over 6 fiscal years.

(g) Potential decrease in supplemental payments (e.g., Medi-Cal QIP) estimated by Steve Clark & Associates.

(h) Estimated increase in Medicare reimbursements for single, countywide hospital district, estimated by PMHD.

Sources: Kaufman-Hall, Steve Clark & Associates, PMHD, BAE, 2023.

Table 3: Option 2: Countywide Hospital District Minus City of El Centro

Existing Net Change in Position (Annual)

Pioneers Memorial Health Care District (a)	(\$1,000,000) per year
El Centro Regional Medical Center	not applic.

Potential Cost Savings/Revenue Increases (Annual)

Combined Administrative Savings	not applic.
Combined Operating Efficiencies	not applic.

Increased Debt Service (Annual)

Pioneers New Debt Service (b)	(\$10,148,024) per year
Distressed Hospital Loan Repayment (c)	(\$4,666,667) per year, 6 fiscal years

Potential Revenue Losses

Reduction in Supplemental Payments	not applic.
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Potential Revenue Increases (Annual)

Consolidated District Revenue Increase	not applic.
Transfer of HHMD Property Tax Base	\$850,000 per year

TOTAL FUNDING GAP, ANNUAL (First 6 Fiscal Years)

(\$14,960,000) per year

Total Funding Gap, Annual (Fiscal Years 7+)(\$10,293,333) per year

Notes:

- (a) See Appendix A
- (b) See Appendix C
- (c) \$28 million PMHD loan, interest free, divided equally over 6 fiscal years.

Source: BAE, 2023.

Table 4: Estimated Parcel Levies, Options 1 and 2

Years 1-6 (Until Emergency Loan Repayments Are Complete) (2023\$)

	Option 1 (Countywide Hospital District)	Option 2 (Countywide Hospital District Less City of El Centro)
Estimated Annual Deficit	<u>(\$11,213,000)</u>	<u>(\$14,960,000)</u>
Total Taxable Parcels	79,841 (a)	69,600 (b)
Average Annual Tax Per Parcel (c)	\$140.44	\$214.94

Years 7+ (2023 \$)

	Option 1 (Countywide Hospital District)	Option 2 (Countywide Hospital District Less City of El Centro)
Estimated Annual Deficit (d)	<u>(\$1,879,667)</u>	<u>(\$10,293,333)</u>
Total Taxable Parcels	79,841 (a)	69,600 (b)
Average Annual Tax Per Parcel (c)	\$23.54	\$147.89

Notes:

- (a) Total parcels countywide with County taxability code of 000, 60, 70, 200, 800, 801, 860.
(b) Total parcels countywide, minus parcels in City of El Centro, with County taxability code of 000, 60, 70, 200, 800, 801, 860.
(c) Average levy per taxable parcel necessary to generate revenues sufficient to offset projected annual revenue shortfall.
(d) Estimated annual deficit from Years 1-6 minus Distress Hospital Loan repayment amount.

Sources: County of Imperial, 2023; BAE, 2023.

Appendix A: Hospital District Budget Summaries and Change in Net Position 2016/17 to 2023/24

	Actual 16/17	Actual 17/18	Actual 18/19	Actual 19/20	Actual 20/21	Actual 21/22	Unaudited 22/23	Budgeted 23/24	7-Year Average
Pioneers Memorial Healthcare District									
Operating Revenues	\$117,777,372	\$126,497,891	\$126,397,043	\$116,352,607	\$126,433,402	\$128,588,031	\$126,968,394	\$156,445,540	
Operating Expenses	\$121,140,409	\$124,503,091	\$131,933,752	\$130,427,530	\$136,604,641	\$144,177,596	\$139,160,947	\$154,419,170	
Net Operating Income (Loss)	(\$3,363,037)	\$1,994,800	(\$5,536,709)	(\$14,074,923)	(\$10,171,239)	(\$15,589,565)	(\$12,192,553)	\$2,026,370	
Non-Operating Revenues (Expenses)									
District Tax Revenues	\$3,039,653	\$3,019,504	\$3,116,580	\$3,186,692	\$3,221,789	\$3,238,942	\$3,228,671	\$1,645,830	
Investment Income	\$411,453	\$132,344							
Interest Expense	(\$390,751)	(\$681,051)	(\$918,015)	(\$855,998)	(\$846,324)	(\$722,961)	(\$692,534)	(\$666,672)	
Contributions, net	\$95,627	\$98,874							
Other non-operating income (expenses)	(\$252,993)	(\$286,803)	\$1,216,033	\$13,970,522	\$10,914,057	\$3,976,933	\$4,775,969	\$539,565	
Change in Net Position	(\$460,048)	\$4,277,668	(\$2,122,111)	\$2,226,293	\$3,118,283	(\$9,096,651)	(\$4,880,447)	\$3,545,093	(\$991,002)
Net Position									
Beginning of Year	\$45,728,344	\$45,268,296	\$49,545,964	\$47,423,853	\$49,650,146	\$52,768,429	\$43,671,778	\$38,791,331	
End of Year	\$45,268,296	\$49,545,964	\$47,423,853	\$49,650,146	\$52,768,429	\$43,671,778	\$38,791,331	\$42,336,424	
El Centro Regional Medical Center									
Operating Revenues	\$131,014,558	\$156,801,391	\$163,792,187	\$153,709,185	\$166,205,189	\$164,111,822	\$152,505,000	\$156,078,000	
Operating Expenses	\$142,573,997	\$154,502,982	\$166,354,132	\$168,610,738	\$187,091,952	\$184,124,064	\$173,986,000	\$161,490,000	
Net Operating Income (Loss)	(\$11,559,439)	\$2,298,409	(\$2,561,945)	(\$14,901,553)	(\$20,886,763)	(\$20,012,242)	(\$21,481,000)	(\$5,412,000)	
Non-Operating Revenues (Expenses)									
District Tax Revenues	-	-	-	-	-	-	-	-	
Investment Income	\$250,995	\$721,292	\$2,189,924	\$3,195,868	\$5,769,935	(\$2,527,065)	\$510,000	\$83,000	
Interest Expense	(\$921,893)	(\$1,970,575)	(\$4,291,609)	(\$5,015,847)	(\$4,657,158)	(\$7,390,971)	(\$7,456,000)	(\$7,268,000)	
Contributions, net	\$283,995	\$476,362	\$843,487	\$14,854,667	\$21,815,438	\$5,040,463	\$684,000	\$677,000	
Other non-operating income (expenses)	\$96,683	(\$2,821,349)	\$30,442	\$334,576	\$15,394	\$149,378	\$1,152,000	\$2,130,000	
Change in Net Position	(\$11,849,659)	(\$1,295,861)	(\$3,789,701)	(\$1,532,289)	\$2,056,846	(\$24,740,437)	(\$26,591,000)	(\$9,790,000)	(\$9,677,443)
Net Position									
Beginning of Year	\$64,600,281	\$52,750,622	\$51,454,761	\$47,665,060	\$42,762,362	\$44,819,208	\$20,078,771	(\$6,512,229)	
End of Year	\$52,750,622	\$51,454,761	\$47,665,060	\$46,132,771	\$44,819,208	\$20,078,771	(\$6,512,229)	(\$16,302,229)	

Sources: Respective Hospital District Budget Summaries; BAE, 2023.

Appendix B: PMHD Administrative Costs and ECRMC Administrative Cost Estimate

PMHD Responsibility Comparison Income Statement Administrative Cost Breakdown												
Income Statement	8610-ADMINISTRATIVE (a) Jun 24 Bud YTD	8650-PERSONNEL Jun 24 Bud YTD	8510-GENERAL ACCTNG Jun 24 Bud YTD	8630-PUBLIC REL Jun 24 Bud YTD	QUALITY (b) Jun 24 Bud YTD	8796-COMPLIANCE Jun 24 Bud YTD	8620-GOVERNING BOARD Jun 24 Bud YTD	8480-INFO SYSTEMS Jun 24 Bud YTD	8530-PATIENT ACCTNG Jun 24 Bud YTD	8710- MEDICAL STAFF Jun 24 Bud YTD	5700- MEDICAL RECORDS Jun 24 Bud YTD	Total
NET INCOME	-2,391,616	-633,852	-878,000	-377,214	-727,062	-251,017	-652,515	-4,432,604	-2,263,012	-318,398	-1,935,365	-14,860,655
OPERATING MARGIN	-2,391,616	-633,852	-878,000	-377,214	-727,062	-251,017	-652,515	-4,432,604	-2,263,012	-318,398	-1,935,365	-14,860,655
Other Operating Revenue												2,608
TOTAL OPERATING EXPENSES	2,391,616	633,852	878,000	377,214	727,062	251,017	652,515	4,432,604	2,263,012	318,398	1,937,973	14,863,263
SALARIES	608,753	430,044	567,603	89,576	671,442	222,176	324,120	872,867	1,170,768	226,570	1,025,437	6,209,356
ALL NON-LABOR	1,782,863	203,808	310,397	287,638	55,620	28,841	328,395	3,559,737	1,092,244	91,828	912,536	8,653,907
CONTRACT LABOR												460,404
PRO FEES	0	0	113,000	0	21,000	0	280,000	0	0	38,068	0	452,068
SUPPLIES	52,732	4,681	7,962	13,924	1,075	1,177	1,276	22,947	14,626	23,829	20,424	164,653
PURCHASED SERVICES	1,232,729	147,821	9,921	268,937	12,000	6,164	8,215	193,850	898,369	18,500	223,000	3,019,506
REPAIRS and MAINTENANCE	48,776	24,717	0	0	0	0	0	2,315,572	93,000	0	203,851	2,685,916
OTHER EXPENSE	448,626	26,589	179,514	4,777	21,545	21,500	38,904	1,027,368	86,249	11,431	4,857	1,871,360
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Benefits, 30% of Salaries	182,625.90	129,013.20	170,280.90	26,872.80	201,432.60	66,652.80	97,236.00	261,860.10	351,230.40	67,971.00	307,631.10	1,862,807
Chief Nursing/Chief Clinics + benefits (c)	508,109											508,109
Pioneers 2023-24 Administrative Salaries and Benefits (d)												\$8,580,272
Pioneers 2023-2024 Operating Expenses												\$154,419,170
Administrative as % of Operating Expense												5.56%

Estimated ECRMC Administrative Costs	
ECRMC 2023-2024 Operating Expenses	\$161,490,000
ECRMC 2023-2024 Estimated Administrative Expenses (e)	\$8,973,161

Estimated Combined PMHD+ ECRMC Administrative Costs \$17,553,433

Notes:

- (a) Admin has CEO (6 months), CFO, Half time Assistant
- (a) Admin 6 months is part of Purchase Serv is Interim CEO contract
- (b) Quality is Quality, Risk and Infection Control
- (c) Includes salaries and benefits for two positions that provide administrative oversight over all PMHD nursing and clinics operations.
- (d) For study purposes, includes only gray highlighted Salaries plus Benefits. Additional potential Non-Labor administrative cost savings not included.
- (e) Assumes that ECRMC administrative cost is same % of operating budget as PMHD.

Sources: PMHD, BAE, 2023.

Appendix C: PMHD Earthquake Retrofit and IT Capital Upgrade Debt Service Assumptions

	<u>Scenario 1</u>	<u>Scenario 2</u>
Funding Needed for Seismic Upgrades (a)	\$130,000,000	\$130,000,000
IT Capital for UCSD Synergy Realization	\$20,000,000	n.a.
Working Capital	\$6,500,000	n.a.
<i>Sub-Total, Net Bond Proceeds Needed</i>	<i>\$156,500,000</i>	<i>\$130,000,000</i>
Costs of Issuance, Capitalized Interest, Debt Service Reserve, etc. (b)	\$31,300,000	\$26,000,000
Total Bond Size	\$187,800,000	\$156,000,000
Bond Term (years)	30	30
Bond Interest Rate (annual)	5.0%	5.0%
Annual Bond Debt Service	\$12,216,660	\$10,148,024

Note:

(a) Assumes \$130 million capital improvement program for PMHD facilities earthquake upgrades.

(b) Estimated at 20% of Net Bond Proceeds Needed.

Sources: County of Imperial, CA Debt and Investment Advisory Commission, BAE, 2023.