



**Lou Ann Teixeira**  
*Executive Officer*

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December 14, 2011 (Agenda)

**December 14, 2011  
Agenda Item 9**

Contra Costa Local Agency Formation Commission (LAFCO)  
 651 Pine Street, Sixth Floor  
 Martinez, CA 94553

**Mt. Diablo Health Care District – Special Study Overview**

Dear Commissioners:

**SYNOPSIS**

In August 2011, the Contra Costa Local Agency Formation Commission (LAFCO) initiated a special study relating to governance options, including dissolution, of the Mt. Diablo Health Care District (MDHCD). At the December 14, 2011 LAFCO meeting, the Commission will receive an overview of the special study.

**BACKGROUND**

In May 2011, the Commission received a report relating to the MDHCD. The report provided history and background of the District, a summary of the findings contained in the 2007 LAFCO *Health Care Services Municipal Service Review (MSR)*, and an overview of ongoing concerns relating to the District’s finances and operations as raised by the Contra Costa Civil Grand Jury and the Contra Costa Taxpayers Association. Following discussion and public comment, the Commission directed staff to prepare a task list, timeline and estimated budget to proceed with a special study relating to governance options, including dissolution, for the MDHCD.

In July 2011, the Commission was provided information relating to district dissolution (i.e., initiation, timing, election, public hearings, effects of dissolution, special study, etc.) Following discussion and public comment, the Commission directed LAFCO staff to prepare a scope of work for the special study, distribute a Request for Proposal (RFP), and bring a report and recommendation back to the Commission in August 2011.

In August 2011, LAFCO staff presented a summary of the proposals received in response to the RFP, along with a recommendation. Following discussion and public comment, the Commission authorized LAFCO staff to execute a contract with Economic & Planning Systems (EPS) to prepare the special study relating to MDHCD, and approved a budget adjustment to fund the study.

In late August, EPS initiated the special study. As provided for in the scope of work, the consultants collected and reviewed information and interviewed affected and interesting parties, including MDHCD, John Muir Health, Los Medanos Community Healthcare District, City of Concord, Contra Costa County Health Services Department, County Auditor and others.

The consultants prepared a *Public Review Draft Special Study* which was released on December 3, 2011. The Draft study was posted on the LAFCO website and notices were sent to affected agencies and interested parties informing them of the availability of the Draft study. The deadline for submitting comments on the Public Review Draft study is December 27, 2011.

On December 14, the consultants will provide the Commission with an overview of the special study and respond to questions.

#### RECOMMENDATION

Discuss and provide input and direction as appropriate.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER