LAMORINDA WEEKLY
Independent, locally owned and operated!
www.lamorindaweekly.com 925-377-0977

Print this page

Published March 11th, 2015

ConFire Seeks Public-Private Ambulance Partnership

By Nick Marnell

Jeff Carman has proposed his most radical idea yet as the chief rebuilds the Contra Costa County Fire Protection District. Carman convinced the Board of Supervisors to allow ConFire to pitch for the available county ambulance contract, up for renewal this year. But not only does the district plan to pitch for the ambulance contract, it is looking to partner with a private ambulance company to help secure the winning bid. Financial advantages to both the ambulance company and the fire district make this partnership concept feasible. "The ambulance companies are very good at the business side of their operation, including billing and dynamic deployment of resources," said Carman. Private ambulance companies are not eligible for the government Ground Emergency Medical Transportation reimbursement program - a federal match, up to costs incurred, for providing approved services - which is available only to public entities. So partnering with a public entity may be a sound business model for the ambulance companies. AP Triton LLC, a fire consultant, estimates that nearly $10 million per year will be available in GEMT funds in Contra Costa County.
ConFire posted a request for qualifications last month to prospective contractors. The incumbent county ambulance vendor, American Medical Response, likely a bidder for the new county contract, could also be a partnership candidate. "Yes, we'll certainly consider it," said Erik Rohde, AMR General Manager for Contra Costa County. "We're looking to improve the county emergency medical system in whatever way we can." Proposals were due to the district at the end of February; ConFire expects to choose its partner later this month. "Other fire agencies in and around the Bay Area and across the state are watching what model emerges from our negotiations," said Carman. "I am excited about it. I think it will be a true blend of public and private and will provide the best service to the citizens of any system I have seen."

Reach the reporter at: info@lamorindaweekly.com

back

Financially strapped Doctors Medical Center agrees to sell part of campus to San Pablo

By Tom Lochner tlochner@bayareanewsgroup.com
Posted: 03/11/2015 08:39:24 PM PDT Updated: about 8 hours ago

SAN PABLO -- The board of Doctors Medical Center has ratified a $2 million deal to sell the city a 2.5-acre slice of the hospital campus currently leased to the adjacent Lytton Rancheria casino for parking.

The sale, which the San Pablo City Council approved Tuesday, is supposed to close Friday, just in time to give the hospital enough cash to meet its bi-weekly payroll next week. It would give the West Contra Costa Healthcare District, which owns the financially ailing hospital, at most a couple of weeks of breathing room to make a final decision whether to start an orderly shutdown, a process that could take six months and cost an estimated $4 million to $6 million.

The hospital is running at an $18 million annual deficit and will have to close, district officials have said, unless someone comes forward with a viable proposal to save it.

District officials said they were expecting to receive a proposal from an investors' group, Venturata, that had not come through as of Wednesday's board meeting. Another, by entrepreneur and former San Diego-area community hospital CEO Larry Anderson, is forthcoming, either as a standalone proposal or in collaboration with Venturata, board Vice Chairwoman Deborah Campbell said.

Dr. Otis Rounds, a DMC physician, said after Wednesday's meeting that an "early-stage collaborative relationship with UC Berkeley" had been discussed earlier this month with state Assemblyman Tony Thurmond and state Sen. Loni Hancock. The elected officials could not immediately be contacted late Wednesday.

Unless details of a proposal and an unspecified amount of money are in place by next week, the hospital will have no choice but to begin closing, several officials said.

DMC board member Beverly Wallace held out scant hope.

"These deals and all this money that people were going to bring to the table -- that has never materialized," Wallace said. "It's just sad, and I'd hate to see the hospital close. A lot of people will suffer, especially the senior citizens.

"You can only kick the can down the road so long."

Interim CEO Kathy White said she would know by Friday whether the board will have any deal proposal to discuss. Any such meeting would be scheduled for next week.

Nurses, doctors and residents who spoke Wednesday mostly urged the board to hold out as long as possible for a way to keep DMC open as a full-service, acute-care hospital. Cancer patients would be especially devastated, two speakers said.

The deal ratified Wednesday is the first of two parts of a larger, tentative deal to sell most of the hospital's off-campus real estate holdings in addition to the casino parking area to the city for $7.5 million; the off-campus holdings include two medical office buildings, some parking and a residential condominium, all on Vale Road across from the campus.

DMC board Chairman Eric Zell and San Pablo City Manager Matt Rodriguez both said this week they are optimistic the second part of the deal for the $5.5 million balance can be closed April 1.

The Lytton tribe paid $4.6 million up front last year for a 20-year easement to use the 2.5-acre piece of the campus. San Pablo will take on the liability of the outstanding term of the easement, or about $4.4 million, making the overall deal, assuming it goes forward, worth $11.9 million to the health care district.

"We think we are getting a very good deal for $11.9 million," Zell said after Wednesday's vote. "We keep 80 percent of the hospital property."

In January, San Pablo had offered to buy the entire hospital campus along with the Vale Road properties for $11 million plus a 5.88-acre city-owned lot.

Contra Costa Times
03/12/2015

'Let's move forward'

Diablo to keep roads open

Community board decision a relief to worried cyclists

By Joyce Tsai

jtsai@bayareanewsgroup.com

DANVILLE — To the relief of more than 300 residents, Diablo's roads will continue to stay open for cyclists — and there shouldn't be any so-called stealth attempts to change that in the future.

From now on, any attempts to restrict access in the unincorporated community will require adequate notification, and a town hall-style forum must be called to allow residents to discuss such proposals, the Diablo Community Services District board voted Tuesday night.

"It's now up to our publicly elected board to govern Diablo fairly, based on the facts and law, with total transparency and openness," said Tom Wander, who with his wife, Nancy, helped to start the Keep Diablo Open Committee. "Let's move forward as a community to tackle real problems with real solutions but also strive to avoid any future morning surprises like the 2014 speed bumps."

The issue has heated up recently as more cyclists use Diablo Road to access Mount Diablo.

Wander and his group cited a history of various attempts by some residents since 2013 — including proposals for locks on gates, road closures, signs and cobblestones — to impede access to bicyclists throughout the community. All of these, except a proposal for speed bumps in August 2014, have failed to gain any traction with the district's board.

"It's a pattern we'd like to stop," he said.

Toward that end, the committee collected 307 signatures of residents opposed to future proposals to block access to bicyclists.

Board member Jeff Mini said previous boards may have discussed proposals in the past, but those were dismissed, and the current board never had any plans to limit access to Diablo's roads. He said some residents misled others into believing board members were thinking of gating or restricting the community, "when we never were," he said.

"This board has never had an intent to isolate Diablo roads," board member Don Hoffman added. "It kind of started as a rumor, I guess, but I don't think there's an issue."

Many of the 40 residents who attended the meeting said they believed prohibitions on bicyclists would open the community to lawsuits, so they preferred to work with bicyclists on safety and put up signs as reminders.

David Birka-White, an attorney, said although it's a private community, it has always promised public right of way to its roads, and a number of legal opinions underscore the fact.

However, a number of residents on Calle Arroyo said their experience was quite different from the rest of the community. They said some people have been hit by bicyclists, and there have been many near-misses. They feared it was only a matter of time before a more serious accident takes place.

Cyclist Scott Norton, of Moraga, approaches the summit of Mount Diablo last spring.

JOSE CARLOS FAJARDO/STAFF ARCHIVES

Delta drama: Two female employees of small reclamation district sue board members alleging sexual harassment, retaliation

By Matthias Gafni mgafni@bayareanewsgroup.com
Posted: 03/13/2015 04:15:40 PM PDT Updated: 4 days ago

Reclamation District 799 board members from left, Arthur Hanson, James Hopwood, Karla Fratus, Richard Kent and Jim Price listen during the public comment portion of their meeting of the Reclamation District 799 on Bethel Island, Calif., on Wednesday, March 11, 2015.

HOTCHKISS TRACT -- Reclamation District 799 has a pretty simple job: maintain its 8.9 miles of levees between Oakley and Bethel Island and keep the tiny Delta island dry.

While the 8.9 miles of levees have held over the past year, a legal storm threatens to breach the diminutive government agency with allegations of sexual harassment and retaliation by two male trustees against one current and one former female employee.

On Wednesday, the board had scheduled a special meeting to discuss firing or disciplining levee Superintendent Kristy Petrosh. But following a divisive meeting full of emotional outbursts and an invitation to step outside and settle things, the board postponed a vote.

Just two months earlier, district Administrator Angelia Tant claims she was forced to retire, the latest in a string of departures at the agency. The women have now sued the district and board members Richard Kent and Arthur Hanson, alleging the two district residents and landowners demeaned them over the past year with sexist taunts, calling one "momma or "good-looking" and the other "gorgeous."

Normally tasked with beaver dam removal, pump maintenance and levee supervision, Petrosh often drove around on a tractor. She alleges that Kent and Hanson forced her to get tractor-driving certification, a standard to which none of her male predecessors was held.

"It's been extremely difficult to deal with being treated unfairly," said the women's attorney, Erin Guy Castillo. "People should be able to work and make a living without being treated differently because of their gender."

Kent and the district's general counsel declined to comment Thursday, citing the pending litigation. A call to Hanson was not returned.

Established in 1901, the district has governed Hotchkiss Tract, a typical Delta island surrounded by sloughs and canals and filled with fewer than 1,000 retirees, fishermen, ranchers and vacationers.

Tant served as the district's top administrator for a decade. Petrosh was hired in August 2013 as assistant levee superintendent.

The problems began in 2013, when, the women allege, former levee Superintendent George Hodgerney started harassing and intimidating them. They said he was fired after they complained, after which Petrosh was promoted to the top post. But Hodgerney didn't give up, they said, so they went back to the board. That's when Kent, who is friends with Hodgerney, blamed them for his buddy's termination, they allege in their lawsuit.

Tant said that at one point, Kent told her to "grow a pair," referring crudely to a part of the male anatomy, and another time he told her to "grow a pair of something, like (breasts) or legs," the lawsuit alleges.

Tant also said Kent told her it was OK for Hodgerney to call her and other women "bitches."

In a phone interview Friday, Hodgerney confirmed he was fired as superintendent but denied ever harassing the women. "They're saying that about everybody," he said. "They're saying a lot of stuff that's not true."

In the lawsuit, Petrosh claims Kent touched and held her waist and hip area, and remarked how women shouldn't operate tractors or heavy machinery.

And Hanson told Tant: "You're looking better than ever, young lady," among other sexist comments, the lawsuit alleges.

Another board member told Tant the men would have to attend sexual harassment training, but there is no evidence they ever did, the women say.

Tant and Petrosh filed claims against the district in October, which were denied in December.

By that time, the board was falling apart. Dale Wong, board president of 10 years, resigned in September because it was "uncomfortable" to continue. He called Tant the "glue" holding the district together and said Petrosh as levee superintendent "exceeded expectations." He said he asked Kent at one point to resign for having his "own agenda."

Another trustee left in November citing "health" concerns because of the new board, and the district's administrative assistant resigned, calling it an "unhealthy and hostile work environment." In a district with only four employees, the turnover has led to paychecks not reaching workers or contractors, among other bureaucratic slowdowns, Tant said.

Cate Kuhn, chairwoman of neighboring Reclamation District 2059 on Bradford Island, where Tant also works, visited a District 799 meeting and wrote a scathing letter about Tant's bosses, citing their "vitriolic and ineffectual behavior."

"I witnessed a complete lack of respect from the majority of the trustees; oftentimes speaking over you, cutting you off, or completely disregarding the information," she wrote.

Tant was forced to resign because of stress and the effect on her personal life, attorney Guy Castillo said.

"She felt like she had no other choice," the attorney said. Both women are suing for unspecified damages.

At least one trustee was bent on firing Petrosh at Wednesday's special meeting, according to an email obtained by this newspaper.

"PLEASE RESCHEDULE an evening special meeting ASAP in order to terminate the insolent superintendent's employment," trustee Karla Fratus wrote March 2 to the district's contracted attorneys and others.

While Petrosh was not fired, there was still plenty of drama at the meeting held in the tiny board room in the agency's Bethel Island lobby. Petrosh's father, Ron Petrosh, warned Hanson not to allow family members to confront his wife over the lawsuit.

"If I have to, me and you are going to have to dance," he said.

Contact Matthias Gafni at 925-952-5026. Follow him at Twitter.com/mgafni.

Barnidge: To PLA or not to PLA, that's what Pinole and Hercules must decide

By Tom Barnidge Contra Costa Times Columnist
Posted: 03/13/2015 07:49:32 PM PDT Updated: 4 days ago

You will be excused for not keeping abreast of the latest developments with the Pinole-Hercules wastewater treatment plant. It's not the sort of topic that generates much Twitter traffic.

The facility that was built in 1955 has needed an upgrade since about the time pay phones disappeared -- a fact that eventually came to the attention of the Regional Water Quality Control Board, which imposed a demand for modernization. Discussions about how to make that happen have been going on for at least five years. The fun didn't begin until four months ago, when the Pinole City Council took its role as lead partner to heart by voting approval of a project labor agreement for the upgrade project without consulting next-door neighbor Hercules.

Pinole Councilwoman Debbie Long uttered the words that still echo in West County: "There's nothing in our agreement that states we have to engage Hercules when it comes to contracts, because guess who signs? Pinole."

Fast-forward to last Tuesday, when the Hercules City Council responded to Pinole's unilateral decision by voting against implementation of a PLA.

"Pinole's tactic of voting for this almost painted Hercules into a corner, like we had to do this," Hercules Vice Mayor Dan Romero said, an edge to his voice.

A project labor agreement, in which all hiring is processed through union halls, has its pros and cons. On the upside, management rights and laborers' working conditions are negotiated into a contract that sets hiring goals, no-strike clauses and dispute resolutions. On the flip side, nonunion contractors must pay union benefits and nonunion workers must pay union dues, often reducing the bidding pool, which can drive up costs.

Both sides have their arguments. Now, can they find a point of agreement?

"I don't know yet," said Romero. "I'm trying to get the two cities to talk -- the way they should have in the first place."

Pinole Mayor Pete Murray sounded receptive: "I'm hoping we can sit down and have a discussion. I don't think we'll come to an impasse. We're all reasonable people."

Romero, who voted against a PLA, said he's still annoyed by "heavy-handed" attempts by union members to get their way, including a name-calling attack after he cast his vote. Fellow Councilman Bill Kelly said a union member suggested to him that other Hercules projects might incur unexpected delays if the PLA vote didn't go the right way.

"I think there was a fairly clear threat there," he said.

Still, neither of them ruled out changing their minds if "deal points" can be hammered out before signing over hiring rights. Romero wants a clarification of what constitutes "local hires." Kelly seeks leeway for any nonunion contractor who wins the bid to be a part of PLA negotiations and his "core workers" to be part of the construction team. Neither is standard practice in most PLAs.

While the two sides stake out their ground, the clock continues to tick. The $44 million project could take as long as 24 months, and the mandated deadline for completion is June 2017. Meanwhile, the job can't go up for bid until this issue is resolved.

"We're starting to talk dollars and cents over any delay in scheduling," Murray said. "We need to get the project going so we're not talking forever. As we're doing that, we're watching the cost of construction and materials go up."

To PLA or not to PLA, that's the question. In Pinole and Hercules, the answer awaits.

Contact Tom Barnidge at tbarnidge@bayareanewsgroup.com.

Moraga-Orinda Fire District looks at ways to fund $16.9 million in promised retirement health care benefits

By Jennifer Modenessi

jmodenessi@bayareanewsgroup.com

Posted: 03/15/2015 09:22:36 PM PDT Updated: 5 days ago

MORAGA -- After years of failing to set aside money to pay for retirement health care benefits promised its employees, the Moraga-Orinda Fire District is one step closer to providing the needed $16.9 million to do so.

District trustees Steve Anderson and Brad Barber, acting as the district's finance committee, are recommending directors begin funding the debt for "other pensionable employee benefits."

That debt is a fraction of the district's nearly $80 million in overall pension debt and includes $20.4 million for bonds the district issued in 2005 to pay off some of its pension debt.

It also includes a $40 million gap between the value of pension benefits earned by district employees and retirees and the money available to fund those benefits.

If approved, the district will move beyond "pay-as-you-go" funding of retiree health care benefits.

Administrators plan to set up a trust, invest the trust funds and use the returns to pay for the future health care costs.

If it pans out, it will be the first time the nearly 18-year-old district starts funding those benefits.

"The district has set aside no money to pay for retiree benefits for current employees," said Gloriann Sasser, the district's administrative services director.

Anderson and Barber recommend the board set up the trust with Public Agency Retirement Services, or PARS, a private trust administration program. The district plans to infuse the trust with an initial $84,000 contribution.

If the board decides to establish the trust, the district -- which serves about 35,000 residents in Moraga, Orinda and Canyon -- will join other fire departments across the Bay Area squirreling away funds to pay for future retiree health care benefits.

Those districts include the Alameda County and Livermore-Pleasanton fire departments and the Rodeo-Hercules Fire District.

The Contra Costa County Fire District makes a $2 million annual contribution for retiree health care benefits that goes into a county trust to fund a nearly $116.7 million liability.

If implemented, the idea could potentially further reduce the district's health care debt an additional $5 million this fiscal year, based on projected investment earnings.

This is on top of a $7.2 million decrease in the liability administrators say is the result of a new labor contract that caps how much the district pays for medical and dental insurance for active employees and retirees, among other stipulations.

But at least one resident is urging the district to consider more conservative investment options, such as investing in highly rated bonds.

Orinda resident Steve Cohn also suggests officials consider lowering projected investment yields to protect future revenue streams funding the debt from a recession or other financial hit.

"Is 'shooting for the moon' the best strategy for a public agency funding retirement benefits?" Cohn asked in a letter to the finance committee.

Lowering debt isn't the only reason to set up the trust.

Soon to be implemented are new accounting principles used by state and local governments that require the district and other agencies to report the health care liability on their balance sheets rather than in footnotes.

This "prefunding" also makes balance sheets look better, said Mitch Barker, PARS' executive vice president.

"Lower liabilities gives an agency a chance to keep some form of retiree health. If you don't prefund, and the liabilities are very high, and the costs are very high, that may affect where things go in the future," Barker said.

The Gilroy Dispatch

LAFCO: Sustainable Growth, Good Governance

Neelima Palacherla | Posted: Sunday, March 15, 2015 2:42 pm

Neelima Palacheria

Santa Clara County is one of the fastest growing counties in the state and is projected to add more than half a million new residents in the next 25 years.

What is the best way to accommodate this growth and build communities in ways that allow local governments to provide cost effective services while ensuring that valuable natural resources such as open space and agricultural lands are preserved?

This is a major challenge for local government—and a core concern for the Local Agency Formation Commission of Santa Clara County, more commonly known as LAFCO.

LAFCO is a state-mandated, independent local agency whose purpose is to discourage urban sprawl, preserve open space and agricultural lands and encourage efficient delivery of services.

LAFCO fulfills these goals by regulating the boundaries of cities and special districts and by conducting studies to inform its regulatory duties.

Santa Clara County's LAFCO has seven members, including two county supervisors, one San Jose City Council member, one council member from any of the other 14 cities in the county, two special district board members and one public member selected by the other six. As LAFCO members, they must act on behalf of the countywide public interest, consistent with locally adopted LAFCO policies and the state mandate.

In the 1950s, California experienced dramatic population growth and economic development. Demand for housing, jobs and services triggered rampant, unplanned, sprawling development that resulted in inefficient public service delivery systems and massive conversion of agricultural and open space to urban use. In response, the State Legislature created LAFCOs in 1963 and gave them responsibility for encouraging orderly growth and development in each county.

Early in the 1970s, Santa Clara LAFCO, the 15 cities and the county jointly adopted policies that call for urban development to only occur within cities. Cities proposed urban service area boundaries that identified lands each intended to annex for future development. Those boundaries were adopted by LAFCO and future expansions became subject to its approval.

Since urban service areas are key to where and when future growth will occur and services will be provided, LAFCO reviews each expansion request very carefully.

One of LAFCO's first considerations in reviewing an expansion proposal is whether there are infill development opportunities and whether the city has used or underused its existing supply of vacant land before seeking expansion.

Among many other factors, LAFCO also will consider whether the expansion would result in conversion of agricultural or open space lands, whether the services and infrastructure needed to support the proposed growth can be financed and provided without negatively impacting current city services, and whether there is an adequate water supply available.

The creation of LAFCO and implementation of its policies has slowed the outward spread of urban development in Santa Clara County. This has, in turn, allowed for the preservation of an informal “greenbelt” around the urbanized area that consists of protected open space lands, farmlands and scenic hillsides. Consequently, despite experiencing significant growth over the years, our county remains a very desirable place to live and work.

Today, LAFCO continues to play a vital role in promoting sustainable growth and good governance in Santa Clara County. Through its actions to curb sprawl and preserve open space and agricultural lands, LAFCO can play a key role in addressing emerging issues such as the reduction of greenhouse gas emissions.

Neelima Palacherla is Executive Officer of the Local Agency Formation Commission of Santa Clara County. She wrote this column for the Dispatch. For more information about LAFCO, visit, www.santaclaralafco.org.

The Modesto Bee

Values for saving farmland up for a vote

By Garth Stapley

gstapley@modbee.com

03/19/2015 7:24 PM

03/19/2015 10:10 PM

Six of the nine cities in Stanislaus County are lining up against a proposed farmland preservation rule scheduled for a vote Wednesday.

Ceres, Riverbank, Oakdale, Patterson, Newman and Waterford fear the proposal would “artificially inflate the market” for farm conservation easements and argue that it would usurp cities’ and counties’ land-use authority.

“We embrace our country’s founding principles of a free market and local control,” attorney Douglas White, who represents most of the cities, said in a letter to the Stanislaus Local Agency Formation Commission. That body rules on cities’ annexation requests and will consider the controversial rule change next week.

LAFCO made headlines with a 2012 policy requiring that cities do something to save farmland when applying to grow, such as having voters approve urban limits or permanently preserving farmland somewhere else in the county. The current proposal includes a formula for computing how much money developers should pay cities, to be put toward buying and overseeing farm easements.

The change was suggested when Patterson leaders last year considered charging $2,000 an acre. Critics scoffed, saying that’s nowhere near the true cost of easements.

LAFCO’s staff studied formulas used elsewhere, from $2,500 per acre charged by Lathrop, Manteca and Tracy to Stockton’s $9,600 per acre. Staffers settled on methodology similar to that adopted by Stanislaus County, Hughson and Yolo County’s LAFCO and embraced by the Central Valley Farmland Trust; it would require fees equal to 35 percent of average prices in five comparable land sales, plus a 5 percent endowment. That currently comes to $7,305 per acre.

“The proposal will do nothing but make it more expensive to preserve agricultural land,” White said.

Also, it “raises serious legal questions regarding whether Stanislaus LAFCO is unconstitutionally exercising” power traditionally held by cities, he said, asking the agency to stop “unreasonably interfer(ing)” and give “the free market a chance to work.”

Waterford Mayor Mike Van Winkle sent a letter arguing similar points and predicting the rule change would "deter future annexations, as it will be infeasible for developers to pay" such fees. Patterson City Manager Ken Irwin said the rule could derail his staff's effort to establish a mitigation bank that would amass fees and use them to leverage more farm-saving money in state tax credits and federal grants.

Sara Lytle-Pinhey, LAFCO's assistant executive officer, recommends that the proposed formula be offered as a guideline for calculating acceptable fees. If a city wants to charge developers less, it would be free to "provide additional information demonstrating that the lower fee is sufficient," she said in a report.

The commission is composed of two officeholders from the county, two from cities and Brad Hawn. Hawn is a former Modesto councilman but is supposed to represent the public.

Stanislaus LAFCO will meet at 6 p.m. Wednesday in the basement chamber at Tenth Street Place, 1010 10th St., Modesto. For more information, go to www.stanislauslafco.org/info/Agenda_PDFs/15/03252015a.pdf.

Bee staff writer Garth Stapley can be reached at gstapley@modbee.com or (209) 578-2390.

Martinez: Future of golf course land to be decided by voters

By Sam Richards srichards@bayareanewsgroup.com
Posted: 03/19/2015 06:25:38 AM PDT Updated: about 21 hours ago

MARTINEZ -- A debate that divided the community over whether a golf course equates to open space, and whether the owner of a failing business should have the right to sell its land to a homebuilder, apparently will be settled by voters next year.

The decision to place the referendum on the November 2016 ballot came amid a testy City Council meeting Wednesday night that featured accusations of corruption and deception regarding a proposed 99-house development at what is now Pine Meadow Golf Course and the resulting petition drive to stop it.

Caught in the middle is the family that has owned the land for over 100 years, and may close the golf course within weeks.

Though the open-space advocates clearly got what they wanted Wednesday, supporters of the golf course owners and the proposed housing, including City Councilwoman AnaMarie Avila Farias, said they are confident voters will affirm the council's January decision to change the land's zoning to allow for houses at the golf course.

"It's really unfortunate we have had to take it to this level," she said shortly before the council voted 4-0 to place a referendum on the November 2016 ballot.

The council had voted in January to make a change in the city's general plan to allow the 25.9-acre Pine Meadow land to be rezoned from open space and recreation uses to residential use. That would have paved the way for the Coward family, the longtime owner of that land north of Center Avenue and west of Vine Hill Road, to sell it for construction by DeNova Homes.

The referendum issue was forced by Friends of Pine Meadow, who after the council's January vote started a petition drive to require either that the City Council rescind its general plan amendment enabling the zoning change, or put the zoning/housing issue to a public vote. More than 2,800 valid signatures were gathered, far more than needed to force a council decision.

The council also could have called for a special election, which would have taken place in mid-June or later. But at an estimated cost of more than $64,000, that idea was rejected.

Wednesday night's meeting grew heated at times, and Vice Mayor Mark Ross had to make several appeals for public commenters to keep remarks from getting personal.

Supporters of Friends of Pine Meadow contended that the course is open space that must be preserved. Some took council members to task for accepting money from developers and then supporting such a housing project, with at least two of them calling it "corruption."

"We want a solution that's palatable for an entire community, not just a select few," said resident Heather Ramamurthy, an opponent of the housing project who likened Martinez to Los Altos Hills and Sausalito for its natural beauty. "Don't squander it."

Others said the Friends of Pine Meadow group was deceptive in that its very name suggests it supports Pine Meadow's longtime owners, and by extension, the new houses. Some in the audience called the referendum petition gatherers "liars" and said many who signed did so thinking they were supporting the Coward family.

"They're going through hell out there," resident Rich Verrilli said of the family. "I hope the council has some backbone on this."

Tim Platt, a lead organizer of the petition drive, said accusations of misrepresentation "can certainly cut both ways" but that the large number of signatures proves a key point.

"It's very clear the people of Martinez think open space incredibly important," he said.

Members of Friends of Pine Meadow have suggested the golf course could become a park. But Ross reiterated Wednesday night that the city does not have the money to turn that property into a park, and that any park there would have to be paid for by the community.

Christine Coward Dean, the golf course's owner, told the council something else is important, too -- property rights. She said she resents the idea of not being able to do what she wants with her own land, especially after four years and 30 community meetings about the golf course's fate, with no such "Friends"-type opposition surfacing. She also doesn't consider the golf course "open space."

Dean said there is no way the money-losing golf course can continue to operate for long, much less until the November 2016 election. She said it will likely close, perhaps as soon as the end of March. She said her family is investigating other uses for the land in the meantime, perhaps boat or RV storage.

"And I guess I'll be working on an 18-month education campaign about Pine Meadow" ahead of an election, she said.

Confire, AMR join forces to submit emergency ambulance bid

By Matthias Gafni mgafni@bayareanewsgroup.com
Posted: 03/20/2015 06:05:02 AM PDT Updated: about 8 hours ago

In what could be an unprecedented partnership between a private ambulance company and public firefighting department, American Medical Response and the Contra Costa Fire District have agreed to join forces and present a bid for the county's next emergency ambulance contract.

The pair reached an agreement March 12 and hope to find efficiencies to improve service delivery to residents, and streamline internal operations as well. The duo are negotiating terms of their agreement and hope to enter a formal bid to Contra Costa emergency management officials within a few weeks, said Erik Rohde, AMR general manager.

"This is unique as far as I know," Rohde said. "I think it's something with a lot of potential, not just in California, but the rest of the country."

Neither side would share details of the proposed partnership because of ongoing negotiations, but Confire officials said they performed a statewide search for a partner and selected AMR.

"Ultimately, AMR submitted the best proposal that called for new innovations and identified efficiencies between both entities that will strengthen the delivery of emergency ambulance and advanced life support care to the residents of Contra Costa County while bringing the best value to the system," fire Chief Jeff Carman said in a statement.

The contract for AMR, which has served emergency calls in the county for decades, expires at the end of the year, and the bidding process to find a new ambulance provider opened last month. Firefighters for the San Ramon Valley and Moraga-Orinda fire districts already provide emergency ambulance services in those areas.

Before opening the new contract to bidding, county officials asked participants to provide two service models: one similar to the current model -- which consists of AMR ambulances and Confire units both responding to emergency calls, with AMR responsible for hospital transport -- and another with ways to optimize services to match patient need. In 2012, county supervisors hired consultants to create a report to find efficiencies in the system and ways to reduce any potential county subsidies.

Rohde said the public will likely not notice any of the changes in a joint service, saying the "subtle" changes will streamline service delivery.

"It brings to the table more innovative opportunities and ways we can be more efficient if we work together," Rohde said.

The Board of Supervisors is expected to choose a provider in July. The contract will last five years, with options for another five.

Contact Matthias Gafni at 925-952-5026. Follow him at Twitter.com/mgafni.

Guest commentary: Referendum will neither 'save' Pine Meadow Golf Course nor turn it into a park

By Rob Schroder, guest commentary
Posted: 03/20/2015 04:00:00 PM PDT

Preserving open space and beautiful parkland is a worthy goal. Our city exceeds the number of open space acres per capita than what is currently required in the General Plan.

So when a handful of residents launched a referendum holding hostage the city's decision to rezone what is currently the Pine Meadow Golf Course -- misinforming residents into believing that this privately-owned property could one day become a park -- I asked for an opportunity to set the record straight.

Pine Meadow Golf Course has served Martinez well. Back in 1965, the property was annexed into the city and zoned for 180 residential units. In 1973, after the Coward family built the golf course, the land was rezoned as recreational open space -- even though it remained privately-owned, housed a business, and its owners continued to pay school and property taxes as if it was zoned for residential housing.

After 50 years of service to the Martinez community, the Coward family has determined that Pine Meadow is no longer financially sustainable and is closing on March 31.

Real options for this property are limited. There is no plan to turn this land into a city-owned park for a number of reasons: First, the city already has 55-acre Hidden Lakes Park -- one of our community's largest parks -- just two blocks away from Pine Meadow.

Second, the land currently houses a business, restaurant and bar and its land is contoured for a commercial golf course -- not natural open space. Its trees are not native and the land contains man-made irrigation basins that are pumped out nightly, making it largely unsuitable for open space.

Even if the city determined we needed a park at this location (which we have not), we just couldn't afford to buy the land and maintain it as a park. This is private property, worth millions of dollars, and it would take a huge hike in residents' property taxes for us to purchase the property and maintain it -- a fact the referendum supporters omit.

On multiple occasions the city has indicated no interest (or ability) to purchase the Pine Meadow property, so the Coward family began working with the city and a local developer to explore the option of rezoning the land back to its original designation -- single-family residential housing.

After nearly 30 public hearings and community meetings where residents' voices were heard, the Martinez Planning Commission and the City Council voted to allow the return to residential housing zoning on the Pine Meadow property, with two caveats: The developer be required to preserve three-times the amount of parks and open space on the land, as well as contribute $700,000 for citywide park improvements.

Enter the referendum supporters, calling themselves the "Friends of Pine Meadow" and asking Martinez citizens to sign the petition for what they said would "Save Pine Meadow" and turn it into a park.

They told passers-by that the population of Martinez has grown more than 10 percent since 1990, thus warranting a new park (the population has actually decreased by 42 people from 2000 to 2010); they said more than 68 percent of the residents they surveyed would support an increase in taxes to pay for a new park at Pine Meadow (also not true -- would you?).

If you signed the petition and were hoodwinked into believing you would "Save Pine Meadow" and turn it into a park -- don't feel bad, you're not alone. More than 3,000 Martinez voters signed the petition believing the same thing.

The referendum that may go before Martinez voters only rescinds the Pine Meadow rezoning decision the City Council made in January, and in no way "Saves Pine Meadow" or ensures that the Coward family's private land will be turned into a park.

If the referendum passes, let's hope the next proposed use for the land won't be something less palatable than nice family-oriented homes.

Rob Schroder is the mayor of Martinez.

San Pablo: Why Doctor s Medical Center hasn't closed yet — a commentary by Dr. Sharon Drager

Chris Treadway
Posted: 03/23/2015 01:20:17 PM PDT Updated: a day ago

If money were the only consideration, DMC would have closed years ago. Its financial challenges are no different than they have been. Hospitals close all the time; however, except for rural hospitals, there are usually other hospitals in the community to pick up the slack. So when Los Medanos closed, Sutter Delta was just down the road; the community still had a hospital and most of the medical staff was intact.

The situation in West County is different, and everyone knows it. That's why there's a reluctance to see it close. DMC is not just the only public hospital in West County, it's the ONLY hospital except for a Kaiser facility that has to take anyone who shows up in the emergency room, but is not open to the public for anything else.

Hospitals are ecosystems, not just inpatient facilities. In West County a medical community rich in specialists has grown up around DMC and cares for a community that has a high burden of chronic illness. So, when the hospital closes, so does the Cancer Center (radiation and chemotherapy), a busy Wound Care Center, advanced heart attack care, advanced comprehensive care for dialysis patients and comprehensive care for surrounding nursing homes, among other services.

Physicians won't practice for long in offices surrounding a dead hospital. Many surgical specialists cluster around hospitals, which are their work places. They will disappear form West County and won't be replaced. The Hospital Council's assertions that an Urgent Care Center will fulfill the needs of the community are disingenuous. Yes, many patients visiting any ER can be treated as outpatients, but many require advanced imaging, consultations and fairly aggressive treatment to allow them to go home. Urgent Care centers associated with hospital systems do can work like this but not small stand-alone units attached only to primary care clinics.

West County is in a relatively isolated position for an urban community as far as heart attack care is concerned. Without DMC, heart attack patients whether they're Kaiser members or non-Kaiser members and whether they live in Richmond or Kensington have to be transported to Concord or Oakland. A 10-minute trip becomes an eternity.

The new hospital model for West County residents will be strictly 20th century, not up to date. Patients who require inpatient care will be treated episodically at whatever institution has room for them, often with a new set of specialists every admission. Kaiser has a vaunted coordinated care system, which applies only to its members. The default mode for non-members at Kaiser hospitals is "treat and street."

Pat Frost can argue that no one has yet died in an ambulance, but I know complicated patients who died because they were shipped to unfamiliar hospitals. Finally, while I hope the community will consider a parcel tax, it is grossly unfair to tell West County residents that they don't merit a hospital because they didn’t support another parcel tax. No one, including the editorial board of the *Contra Costa Times*, has ever suggested that residents of Walnut Creek or San Ramon or Antioch don’t deserve a hospital because they don’t pay a property tax. I guess those people are just luckier.

Dr. Sharon Drager is a vascular surgery doctor in San Pablo.

A Candid Conversation With California's 'Water Czar'

There will be no "March miracle" this year.

After a record-dry January, California is on track for a March that is also in record-dry territory.
And the state Department of Water Resources says we may be looking at the skimpiest Sierra snowpack on record.

None of this has been lost on Felicia Marcus, who chairs the State Water Resources Control Board. When water supplies are tight, as they are now, her board is where the buck stops in arguments over who gets what.

Felicia Marcus chairs the powerful State Water Resources Control Board. (Families Protecting the Valley)

I sat down with her to find out where we go from here.

Craig Miller: Your senior scientist at the Water Board has said that it's "hard to overstate the severity of this drought." How would you characterize it?

Felicia Marcus: It's the worst thing that any of us have dealt with — probably worse than anything our grandparents ever dealt with, for a number of reasons. The precipitation levels have, of course, been terrible. Our reservoirs are low and you can see that graphically. Our snowpack is even worse. And so the dislocation caused by multiple years of low precipitation — particularly the fact that it's been so warm and we don't have snowpack — is like a double whammy.

People will quibble about precipitation levels and look at 1924 and 1977 as technically having less precipitation than now. That is nothing to have a party about because there are millions more people than there were relying on that water. So we have communities running out of water, we have hundreds of thousands of acres of fields that have been fallowed, we've got thousands of people out of work and we've got fish and wildlife suffering as never before.

CM: We started to see water restrictions last year. How will this year be different?

FM: Let me start with my most fervent hope, which is that local water agencies will begin to act as if we might have a "millennial drought," like Australia. I think people were hoping for rain, which is not a strategy.


Existing California Water Restrictions
Enacted 2014
Shut-off nozzles required for washing cars
No watering that creates "visible runoff"
No watering of hardscapes (sidewalks, etc.)
No fountains that don't recirculate water
Cities must have emergency drought plans in place
© 2015 KQED Inc.


Major NEW Water Restrictions
Enacted 2015
Water only on demand in restaurants
No lawn watering 48 hours after rain
TUESDAY
15
Limits on watering days set by cities
Stepped-up response to customer water leaks
© 2015 KQED Inc.

Marcus says local water agencies were "dithering" over what to do, so last summer, her board stepped in with a first-ever set of statewide minimum rules for water use. Beginning in May, they'll tighten the screws a little bit more.

That will mean, among other things, people will have to ask for water at restaurants, and local water agencies will have to limit days in which lawn and landscape watering are allowed — in some cases to two days a week. It'll be up to local water officials to adapt and enforce the rules.

CM: It's the first time that the state has set a sort of minimum bar.

FM: First time any state has actually stepped in and set minimum conservation levels, but we felt we had to — not to control and tell everybody what to do, in fact they were quite modest — but to ring the bell and give some permission to the local agencies. And what I said was, "If you're worried that your customers are gonna be mad at you, blame me. You know, I don't mind if they're mad at me." It's better if we act now.

Keep Up With All Our Drought Coverage

CM: There also seems to be a gap between the rules and enforcement part of that. Much was made a year ago about $500 fines. To your knowledge, has anybody been fined $500?

FM: You know, I've heard anecdotally that there have been $500 fines. We weren't intending to say, "Thou shalt fine." We were actually enabling locals who maybe didn't have the authority — we were giving them the authority to go up to $500. Some go to a thousand, some shut off your water. Again, this is something that localities do in different ways.

CM: Here we are in Year 4 and we're just talking about saying to restaurants, "No, you can't automatically bring a glass of water to every table." Honestly, isn't that something we should've done in Year 1?

FM: Well, absolutely, I mean there are communities all over the state that have been doing it for years and they've never undone it — and that is the right thing to do. Again — what's appropriate for the state to do and what's appropriate for the locals — and we're trying to tread somewhat lightly. Our goal isn't a statewide takeover of every urban water agency. But in a time of crisis, we need something that's more visible. It sends a recurrent message that we're in a drought because part of our challenge is, it rained a lot in December, so people may have thought the drought was over.

You can hear a longer version of our interview with Felicia Marcus by clicking on the audio player at the top of this post.

Related

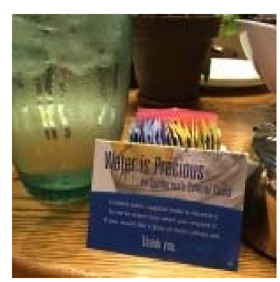
Drought Watch 2015

Calif. Water Regulators Tighten the Screws -- But Just a Little

California Considering Fines for Wasting Water

True Water Restrictions Rare, Even in California's Record-Breaking Drought

California Drought Loosens Some Environmental Rules



Icebergs and Green Paint: Lessons from California's Big Droughts

- 11 comments

DonWood • a day ago

Ms. Marcus is right that the cheapest acre foot of water is the one you don't use. Water conservation is the cheapest way to address the growing drought. But if Ms. Marcus and her board (and the governor) are waiting for local water agencies to take the lead to help their customers use water more efficiently , California is about to dry up and blow away. Local water districts and agencies revenues are directly tied to their water sales. If they actually fielded truly effective incentive water conservation programs they would see their revenues go down, which is money they need to pay off billions of dollar in infrastructure debt. In the 1970s, the California Public Utilities addressed this same problem with the state's energy utilities. In its 1981 SDG&E rate case decision, the Commission "decoupled" the utility's energy sales from its revenue by adopting a new regulatory model under which it established each utility's revenue needs every few years. If a utility sold less energy than needed to meet its revenue requirements, it was allowed to raise its rates to meet those requirements. If it sold more energy then needed to meet its approved requirements, it was required to rebate that money back to customers via reduced rates. At the same time, it ordered SDG&E and eventually the other regulated utilities to collect money in rates and spend it installing energy efficiency measures in customers homes and businesses. Eventually the CPUC allowed utility shareholders to earn a return based on a small percentage of the avoided cost of energy their programs saved.
California currently has no equivalent to the CPUC with rate setting authority over local water agencies. Until it comes up with a solution similar to the one adopted by the CPUC for the energy utilities, local water agencies will talk a good game when it comes to encouraging customers to use less energy, but they won't lift a finger to make that happen by offering truly effective conservation programs.
Don Wood, Sr. Policy Advisor
Pacific Energy Policy Center
dwood8@cox.net

> Craig Miller, KQED (to) DonWood • 21 hours ago
>
> I'm so glad you brought this up. I did ask her about the prospects of "decoupling" the water biz. Her response was a bit technical to make the interview cut for radio, but essentially what she said was that it could be done, but it would likely need to be done by individual local water agencies for themselves, of which there are more than 400 in CA (some of which are regulated by her board and some by the CPUC), that it would be difficult to manage from the state level, as was done with a much smaller group of electric utilities. I agree that it's worth looking into.
>
> > DonWood (to) Craig Miller, KQED • 21 hours ago
> >
> > That's the problem. Individual water districts were spawned over the decades as sprawl developer couldn't convince existing cities or water

agencies to extent water to their outlying development projects, and then packed the new agencies with their reps on the new boards to get water for their sprawl subdivisions. Because these grew up at the local level, the state never bothered to try to regulate how they set their rates. So we find ourselves in a position where the local agencies have no incentive to help customers become more efficient. They are already freaking out over the possibility of a "death spiral", where they keep raising rates and customers use less and less water in response, to the point where the local agencies can't pay their debt and go bankrupt.
This is a governance structural conundrum that has never been addressed at the federal or state level, but if they want to see truly effective water efficiency programs, they're going to have to change the structure of the system. By the way, I worked for San Diego Gas & Electric in 1980 and 1981 and helped convince the CPUC to authorize the first ratepayer funded utility energy efficiency program, which provided free weatherization to low income and elderly families in SDG&E's service area, which then lead to the $3 billion utility energy conservation programs we see today. So we know this issue can be addressed, but I doubt that Marcus, the governor or the legislature will bite the bullet until the damage has been done. To paraphrase Churchill, California legislators and regulators will end up doing the right thing, but only after they've exhausted all alternatives.

Steve Frisch (to) DonWood • 5 hours ago

The practice of 'decoupling' is by far the most important policy initiative that could come out of the current water crises, even more important than groundwater management because it could have a revenue stream for conservation tied to it. Kudos to those of you on this thread who worked on decoupling electric utility rates in the 1980's; in the 1970's Californians used about the some amount of electricity per capita as the average American did, today Californians consume roughly 50% of the electricity per capita. That has been a net savings of billions of dollars per year in utility rates and a conservation record almost unequaled in the country. We could do the same with water, but decoupling would have to be tied to the same sort of strict conservation measures and payments for implementing water efficiency. We recently studies leak loss in a few selected Sierra Nevada water systems and found astounding numbers, in some cases 30% loss in the system, but system operators lack the funding to plug the leaks when they know where they are. Huge savings and job creation could come just from replacing aging and inefficient infrastructure.

Diane B. (to) Steve Frisch • 3 hours ago

Prop 1 and the State Revolving Fund can provide grants and loans to pay for such infrastructure improvements, which I agree are desperately needed.

Bill Altmann • a day ago

I heard nothing in the report about conserving water outside urban areas. The vast majority of water usage is for industry and agriculture. What is Ms. Marcus doing about that? And, what about the cities (like the state capital, Sacramento) where homes are not even metered for their water usage?!

Craig Miller, KQED (to) Bill Altmann • a day ago

We focused on urban water conservation in this interview because that's the target of the most recent actions by Marcus' board. Yes, agriculture uses far more water than cities -- the ag share ranges from about 40% to more than 70%, depending on how you're doing the calculation. We have given extensive coverage to that and will continue to do so. Scroll through our Drought Watch page and you'll find plenty.
http://blogs.kqed.org/science/...

C. A. Hinton • a day ago

Thanks for the reporting, Craig. I too was struck by your mention that urban water use amounts to 10% of the the total. There is a WSJ piece today about 'virtual water' - water used to produce food or commodities shipped out of state. Article at Tinyurl.com/pzfthkq

Pj Grube • 16 hours ago

Someone is smoking $100 bills... The Residential Water Useage is NOT the problem consumption. The Farmers
need to change their water use practices. FARMERS USE 80% of the
water...They are wasting the resource on poor irrigation practice and have for decades. The
residential users have already cut back. There is very little left to cut. The FARMERS are the problem. FACT. FACT.
FACT. I refuse to do more...
Most importantly is the wasteful irrigation of other crops. When they ask the residential customers (20%
of the total water use) to cut back 20%, that equals a 4% savings. If the farmers were to cut
back 20% it would be a 16% savings on total California water use. The solution to
the water problem is in the hands of the farmers.

AlohaTravels • a day ago

What about water bottling companies like Nestle? What about agricultural use and farmers tapping into out underground water? What about new regulations that wont go into effect for YEARS?

> Craig Miller, KQED (to) AlohaTravels • a day ago
>
> You're right: the newly passed groundwater regs will take decades to fully implement, which worries many, including Marcus. That was slightly beyond the scope of this interview but we'll be doing more on that. As for ag, her board is constrained by California's byzantine system of water rights. Farms on the state's two big water projects have taken substantial cuts in their allocations, but under our system "junior" rightsholders take the brunt of it. Many have argued for a system more like Australia's, in which water rightsholders share the pain more evenly during droughts.

- 11 comments

  DonWood • a day ago

  Ms. Marcus is right that the cheapest acre foot of water is the one you don't use. Water conservation is the cheapest way to address the growing drought. But if Ms. Marcus and her board (and the governor) are waiting for local water agencies to take the lead to help their customers use water more efficiently , California is about to dry up and blow away. Local water districts and agencies revenues are directly tied to their water sales. If they actually fielded truly effective incentive water conservation programs they would see their revenues go down, which is money they need to pay off billions of dollar in infrastructure debt. In the 1970s, the California Public Utilities addressed this same problem with the state's energy utilities. In its 1981 SDG&E rate case decision, the Commission "decoupled" the utility's energy sales from its revenue by adopting a new regulatory model under which it established each utility's revenue needs every few years. If a utility sold less energy than needed to meet its revenue requirements, it was allowed to raise its rates to meet those requirements. If it sold more energy then needed to meet its approved requirements, it was required to rebate that money back to customers via reduced rates. At the same time, it ordered SDG&E and eventually the other regulated utilities to collect money in rates and spend it installing energy efficiency measures in customers homes and businesses. Eventually the CPUC allowed utility shareholders to earn a return based on a small percentage of the avoided cost of energy their programs saved.
  California currently has no equivalent to the CPUC with rate setting authority over local water agencies. Until it comes up with a solution similar to the one adopted by the CPUC for the energy utilities, local water agencies will talk a good game when it comes to encouraging customers to use less energy, but they won't lift a finger to make that happen by offering truly effective conservation programs.
  Don Wood, Sr. Policy Advisor
  Pacific Energy Policy Center
  dwood8@cox.net

    Craig Miller, KQED (to) DonWood • 21 hours ago

    I'm so glad you brought this up. I did ask her about the prospects of "decoupling" the water biz. Her response was a bit technical to make the interview cut for radio, but essentially what she said was that it could be done, but it would likely need to be done by individual local water agencies for themselves, of which there are more than 400 in CA (some of which are regulated by her board and some by the CPUC), that it would be difficult to manage from the state level, as was done with a much smaller group of electric utilities. I agree that it's worth looking into.

      DonWood (to) Craig Miller, KQED • 21 hours ago

      That's the problem. Individual water districts were spawned over the decades as sprawl developer couldn't convince existing cities or water

agencies to extent water to their outlying development projects, and then packed the new agencies with their reps on the new boards to get water for their sprawl subdivisions. Because these grew up at the local level, the state never bothered to try to regulate how they set their rates. So we find ourselves in a position where the local agencies have no incentive to help customers become more efficient. They are already freaking out over the possibility of a "death spiral", where they keep raising rates and customers use less and less water in response, to the point where the local agencies can't pay their debt and go bankrupt.
This is a governance structural conundrum that has never been addressed at the federal or state level, but if they want to see truly effective water efficiency programs, they're going to have to change the structure of the system. By the way, I worked for San Diego Gas & Electric in 1980 and 1981 and helped convince the CPUC to authorize the first ratepayer funded utility energy efficiency program, which provided free weatherization to low income and elderly families in SDG&E's service area, which then lead to the $3 billion utility energy conservation programs we see today. So we know this issue can be addressed, but I doubt that Marcus, the governor or the legislature will bite the bullet until the damage has been done. To paraphrase Churchill, California legislators and regulators will end up doing the right thing, but only after they've exhausted all alternatives.

Steve Frisch (to) DonWood • 5 hours ago

The practice of 'decoupling' is by far the most important policy initiative that could come out of the current water crises, even more important than groundwater management because it could have a revenue stream for conservation tied to it. Kudos to those of you on this thread who worked on decoupling electric utility rates in the 1980's; in the 1970's Californians used about the some amount of electricity per capita as the average American did, today Californians consume roughly 50% of the electricity per capita. That has been a net savings of billions of dollars per year in utility rates and a conservation record almost unequaled in the country. We could do the same with water, but decoupling would have to be tied to the same sort of strict conservation measures and payments for implementing water efficiency. We recently studies leak loss in a few selected Sierra Nevada water systems and found astounding numbers, in some cases 30% loss in the system, but system operators lack the funding to plug the leaks when they know where they are. Huge savings and job creation could come just from replacing aging and inefficient infrastructure.

Diane B. (to) Steve Frisch • 3 hours ago

Prop 1 and the State Revolving Fund can provide grants and loans to pay for such infrastructure improvements, which I agree are desperately needed.

Bill Altmann • a day ago

I heard nothing in the report about conserving water outside urban areas. The vast majority of water usage is for industry and agriculture. What is Ms. Marcus doing about that? And, what about the cities (like the state capital, Sacramento) where homes are not even metered for their water usage?!

Craig Miller, KQED (to) Bill Altmann • a day ago

We focused on urban water conservation in this interview because that's the target of the most recent actions by Marcus' board. Yes, agriculture uses far more water than cities -- the ag share ranges from about 40% to more than 70%, depending on how you're doing the calculation. We have given extensive coverage to that and will continue to do so. Scroll through our Drought Watch page and you'll find plenty.
http://blogs.kqed.org/science/...

C. A. Hinton • a day ago

Thanks for the reporting, Craig. I too was struck by your mention that urban water use amounts to 10% of the the total. There is a WSJ piece today about 'virtual water' - water used to produce food or commodities shipped out of state. Article at Tinyurl.com/pzfthkq

Pj Grube • 16 hours ago

Someone is smoking $100 bills... The Residential Water Useage is NOT the problem consumption. The Farmers
need to change their water use practices. FARMERS USE 80% of the water...They are wasting the resource on poor irrigation practice and have for decades. The
residential users have already cut back. There is very little left to cut. The FARMERS are the problem. FACT. FACT.
FACT. I refuse to do more...
Most importantly is the wasteful irrigation of other crops. When they ask the residential customers (20%
of the total water use) to cut back 20%, that equals a 4% savings. If the farmers were to cut
back 20% it would be a 16% savings on total California water use. The solution to the water problem is in the hands of the farmers.

AlohaTravels • a day ago

What about water bottling companies like Nestle? What about agricultural use and farmers tapping into out underground water? What about new regulations that wont go into effect for YEARS?

> Craig Miller, KQED (to) AlohaTravels • a day ago
>
> You're right: the newly passed groundwater regs will take decades to fully implement, which worries many, including Marcus. That was slightly beyond the scope of this interview but we'll be doing more on that. As for ag, her board is constrained by California's byzantine system of water rights. Farms on the state's two big water projects have taken substantial cuts in their allocations, but under our system "junior" rightsholders take the brunt of it. Many have argued for a system more like Australia's, in which water rightsholders share the pain more evenly during droughts.

San Pablo: Doctors Medical Center board to decide whether to close or hang on a few more weeks for a possible rescue

By Tom Lochner tlochner@bayareanewsgroup.com
Posted: 03/25/2015 07:14:35 AM PDT Updated: about 3 hours ago

SAN PABLO -- A decision whether to begin an orderly shutdown of Doctors Medical Center, or continue operations for a while longer, could come this week.

On Thursday, the board of the West Contra Costa Healthcare District, which owns the financially struggling community hospital, will receive updates on finances and any late rescue proposals.

The board also will vote whether to formalize the second phase of a real estate deal with San Pablo.

On March 11, in a first phase, the board approved selling to the city for $2 million a 2.5-acre slice of the hospital campus currently leased to the adjacent Lytton Rancheria casino for parking.

On Thursday, the board will consider selling the city two medical office buildings with parking, and a condo apartment, all on the north side of Vale Road, across from the campus.

District officials have pegged the total cash value of the combined deal at $7.5 million, but have said it is worth $11.9 million because the lot used by the casino is encumbered with a 20-year easement for which the Lytton Rancheria paid $4.6 million upfront last year; San Pablo is absorbing the $4.4 million liability of the outstanding term of the easement.

At the conclusion of Thursday's meeting, the board will decide how to use the proceeds of the sale and whether to continue operations for a few more weeks or begin an orderly shutdown, a process that could take six months and cost $4 million to $6 million.

The meeting will begin at 4:30 p.m. in the hospital auditorium, 2000 Vale Road, San Pablo.

Contact Tom Lochner at 510-262-2760. Follow him at Twitter.com/tomlochner.

Steep water rate increases eyed for EBMUD customers

By Denis Cuff dcuff@bayareanewsgroup.com
Posted: 03/24/2015 01:17:14 PM PDT Updated: about 4 hours ago

OAKLAND -- The worsening drought is spurring the East Bay's largest water supplier to consider slapping a 25 percent surcharge on customers' bills -- on top of an 8 percent general rate increase.

The East Bay Municipal Utility District proposed the 8 percent permanent increase Tuesday largely to cover the cost of accelerating replacement of aging pipes. The district needs that increase, drought or no drought, officials said.

A larger temporary increase of up to 25 percent, officials said, is needed to cover drought costs -- including some $55 million to deliver an emergency supply from the Sacramento River.

The latest meager reading from the Sierra snowpack is increasing the odds the East Bay district will need the surcharge, instead of less severe options, officials said.

Water rate increases on the table

Here are the most severe water rate increases being considered by EBMUD for July 1. Rates are for single family homes, and charges would differ depending on consumption levels.

Usage		Gallons used		Monthly bill		Change	
Level and	**percentile**	**per day**	**per month**	**2014-15**	**2015-16****	**Amount**	**%**
Low	25	98	2,992	$29.07	$34.06	$4.99	17%
Median	50	172	5,236	$37.80	$45.10	$7.30	19%
High	75	295	8,976	$55.80	$70.35	$14.55	26%
Higher	95	738	22,440	$132.08	$183.79	$51.71	39%
Highest	99	1,476	44,880	$264.68	$383.59	$118.91	45%
Average*		246	7,480	$48.60	$60	$11.65	24%

*About 2/3 of EBMUD single family residential customers use the average or less
** Reflects both proposed base rate increase and proposed drought surcharge

Source: EBMUD BAY AREA NEWS GROUP

"Our supply outlook is grim," said Abby Figueroa, a district spokeswoman. "Until the overnight storm, there was no snow at Caples Lake in our watershed, and we normally have 6 feet at this time of year."

The storm dropped a meager 3 inches of snow in the district's Mokelumne River basin. The Sierra foothills area supplies the main water source for the 1.3 million EBMUD water users in Alameda and Contra Costa counties.

The water board is expected to vote June 9 on the rate increase and surcharge. It would go into effect July 1.

The drought surcharge will not be a uniform increase for all households because it is structured to be more severe for high water users, and less severe for low water users.

Under the most severe option for a 25 percent surcharge, the monthly bill would increase from $48.60 to $60 a month -- an increase of $11.40 -- for an average district household consuming 246 gallons per day. That is a 24 percent increase.

The bill for a household using 748 gallons per day would go up more sharply, from $132.08 to $183.79 per month. That is an increase of 39 percent.

The bill for a household using 98 gallons per day would increase from $29.07 to $34.06 a month, a 17 percent increase.

The more customers use, the more the bill would increase, as the drought surcharges would apply only to water volumes used -- the major but not only part of water bills, district officials said.

In a related drought action Tuesday, EBMUD General Manager Alexander Coate recommended the district ask customers to cut back water use 20 percent, an increase from the current 15 percent goal.

Water board members were receptive to the 20 percent target, but there may be some board differences about details of the rates and charges.

District managers proposed that overuse penalty fees be assessed on households that use more than 1,476 gallons per day.

Water board members Directors Marguerite Young, of Oakland, and Andy Katz, of Berkeley, said they want a more restrictive policy that would start to penalize households long before they reach 1,400 gallons a day. Katz suggested half that amount -- about 700 gallons -- is an appropriate place to draw the line for assessing overuse penalties.

The water district has tentatively set April 15 as the date to send out written notices to customers of proposed changes in rates and charges.

Contact Denis Cuff at 925-943-8267. Follow him at Twitter.com/deniscuff.

Kensington police board settles long-standing suit with residents

By Thomas Peele tpeele@bayareanewsgroup.com
Posted: 03/25/2015 06:48:29 AM PDT Updated: about 4 hours ago

KENSINGTON -- The town's police and community service board unanimously agreed Tuesday night to settle a lawsuit with a group of residents from whom it was seeking legal fees after a messy and divisive effort to roll back a raise given to the police chief in 2012.

"All parties regret the long and unpleasant nature of this litigation and how it affected both the board members named in the lawsuit and the other individuals involved," said board member Pat Gillette, reading from a statement both sides agreed on.

"Both sides desire to move on," she said, "and hope that the community can come together."

The town will receive $21,000 and an additional $4,000 toward the cost of a mediation session where the deal was reached. It had been seeking $159,000 after a state appeals court threw out the residents' claims. Open government proponents have described the board's efforts as an attempt to stifle dissent.

The residents had offered $900 prior to mediation. Board members claimed their actions were about recouping tax dollars used to defend the original suit.

The residents' attorney, Karl Olson, said the joint statement read by Gillette would be their only comment Tuesday.

The group of residents sued the board in 2012, also naming three board members as individual defendants, attempting to stop a three-year contract containing a raise and bonus for Police Chief Greg Harman.

But Harman is now on his way out after the board decided last month to cut off negotiations for another contract with him after public outcry over his handling of an internal investigation of Sgt. Keith Barrow, whose gun and badge were stolen from his Reno hotel room after an encounter with a prostitute.

Barrow remained on duty for nearly eight months before Harman imposed an unspecified suspension as punishment.

A recently released Reno Police report of the incident states Barrow told police he had been "drinking heavily" with other Kensington officers. Surveillance photos released by Reno police show Barrow and the prostitute walking through a casino lobby toward elevators and then exiting on the floor where he had a room.

Barrow went to Reno police headquarters three hours after discovering the theft but would not give investigators a written statement. Police recovered the gun the next day when Taylor's pimp accidentally shot himself with it.

But Tuesday night, at least one controversy concerning the police was over, and some people broke into applause when the settlement was announced. Gillette also expressed relief.

"Everyone is calling it quits," she said.

Contact Thomas Peele at 510-208-6458. Follow him at Twitter.com/thomas_peele.

The Modesto Bee
modbee.com

Commission rejects cities' demands, OKs farmland formula

BY GARTH STAPLEY - GSTAPLEY@MODBEE.COM
03/25/2015 9:32 PM | Updated: 03/25/2015 10:43 PM

The fight against urban sprawl notched a narrow victory Wednesday, despite objections from seven of Stanislaus County's nine cities.

The 3-2 vote by leaders of a growth-guiding agency simply defined one way cities can choose to help preserve farmland, but was seen by cities as an affront to their land-use authority.

The decision set a formula for figuring how much money cities can charge developers when paving over farmland for houses or other buildings. The money can be banked to eventually buy farm conservation easements somewhere else in the county, preserving one agricultural acre for each one developed.

The Modesto City Council called a special meeting earlier Wednesday to confront the formula, already opposed by Ceres, Riverbank, Oakdale, Patterson, Newman and Waterford. The issue divided Modesto leaders, who decided on a 4-2 vote to join the others; Mayor Garrad Marsh and Councilwoman Jenny Kenoyer voted "no," and Councilman Tony Madrigal was absent.

The debate before the Stanislaus Local Agency Formation Commission was just as spirited Wednesday evening. "We don't need to get into a divisive, rancorous debate," said Tom Hallinan, an attorney representing several cities. He urged commissioners to table the matter and allow staff members to talk out differences with city and county administrators.

Several city managers approached the rostrum to formally object to the proposed formula. Some asked for a delay, and some said the methodology would artificially drive up values. "You're putting a gun to the head of the developer, forcing him to buy something. That's not a free market," said John Beckman, chief executive officer of the Building Industry Association of the Greater Valley.

Commissioners voting with the majority said cities, all of which agreed with an underlying farmland preservation policy when LAFCO approved it in 2012, apparently misunderstood aspects of Wednesday's amendment.

For example, cities can choose other means of saving farmland, such as having voters adopt urban limits. Newman did just that last year, and Modesto voters soon will confront such an initiative.

LAFCO is composed of two elected officeholders from cities and two from the county, plus one person representing the public at large. Currently, the latter is Brad Hawn – a former Modesto councilman.

Hawn favored a delay, as requested by the seven cities, and Turlock Councilwoman Amy Bublak was even more strongly in the cities' corner. Opposing were county Supervisors Jim DeMartini and Terry Withrow.

But the other city representative – Matt Beekman – is mayor of Hughson, one of the two cities that did not oppose the formula; the other was Turlock. Hughson's formal anti-sprawl policy, requiring that builders pay to set aside two agricultural acres for each acre developed, is considered among the most progressive in these parts.

Beekman said Wednesday's vote was merely LAFCO's attempt to provide guidance on appropriate pricing, and he sided with DeMartini and Withrow. The formula requires fees equal to 35 percent of average prices in five comparable land sales, plus a 5 percent endowment. Currently, that's about $7,305 per acre.

"We're not trying to gouge any developers out there," DeMartini said. "If they can get (land) for nothing or a low amount, that's fine – just show us how you do it. If you don't like it, do something else."

Board votes to close Doctors Medical Center in April

Updated: 03/27/2015 08:30:36 AM PDT

ContraCostaTimes.com

- Mar 27:
- Contra Costa Times editorial: Health care system let down Doctors Medical Center
- Mar 26:
- Document: Doctors Medical Center Chronology
- Mar 6:
- Document: Letter to Bay Area billionaires to save Doctors Medical Center
- Feb 22:
- San Pablo: Doctors Medical Center supporters make appeal to Bay Area billionaires

SAN PABLO -- The West Contra Costa Healthcare District board voted Thursday to close Doctors Medical Center in less than four weeks, after years of financial losses and unsuccessful attempts to find a sustainable way to keep it open.

The closure is slated to begin April 21, to give officials time to vet a late-inning proposal by a self-described hospital turnaround specialist with a mixed track record.

The board initially faced two choices: an orderly closure, beginning on April 14, or to keep the hospital open for a while longer with the help of some of the proceeds of a $7.5 million sale of district-owned real estate to San Pablo.

Doctors Medical Center in San Pablo, 2014.

But after Larry Anderson, an entrepreneur, consultant and former CEO of a San Diego-area community hospital, pitched a "turnaround plan" that elicited much skepticism from board members, the board nevertheless agreed to postpone the onset of the closure after dozens of speakers urged them to allow no opportunity to save the hospital to go by.

The one-week postponement will cost the district about $500,000.

An orderly closure -- meaning one in which payroll, accrued vacation payouts and vendors' and contractors' bills are paid -- would take about six months and cost about $5.3 million dollars initially. Other cash needs such as unemployment and workers' compensation claims and health insurance premiums that come due in the ensuing three months would be paid from ongoing collections of accounts receivable.

The hospital's financial problems started in the 1990s, a fact officials blame largely on low reimbursement rates for Medi-Cal and Medicare patients, who constitute about 80 percent of DMC's patient mix. An additional 10 percent are uninsured, and another 10 percent are commercial patients.

In 1997, the hospital contracted with Tenet Health Systems, a private operator. In 2004, after years of financial losses, Tenet pulled out, and operation reverted back to the health care district. A $52-a-year parcel tax approved by voters in 2004 raised about $5.6 million a year, not enough to stanch the operating losses, and in 2006, the district filed for bankruptcy protection.

Once out of bankruptcy, hospital managers instituted an array of cost-saving efforts. But even with periodic infusions of cash from the state and county and other health-care providers, combined with borrowing against the future receipts of the first parcel tax, and the passage of a second parcel tax in 2011 to raise $5.1 million a year, the hospital still ran at an $18 million annual deficit at latest count.

DMC opened as Brookside Hospital in 1954, but its origins go back to the creation of the West Contra Costa Healthcare District in 1948.

The mood Thursday in the packed-to-capacity hospital auditorium was initially mostly mournful, as many of the residents and employees in attendance expressed resignation that the hospital's board had exhausted all of its fundraising options. But many speakers also expressed anger, blaming officials at many levels of government -- federal, state, county and health care district, as well as the health care system in general -- for running the hospital into the ground.

Later in the meeting, many expressed hope that Anderson's purported plan could somehow save the hospital. Details of the plan, the latest version of which Anderson apparently communicated to the district earlier on Thursday, were not publicly known, but Anderson assured the board that several million dollars was secure and ready to be put in escrow.

Officials said after the meeting that they should know by next week whether there is any substance to Anderson's plan.

Anderson was credited in 2013 by Becker's Hospital Review, an industry publication, with leading Tri-City Medical Center, a San Diego-area community hospital, "away from two fiscal years of losses to a running streak of positive margins, every month since July 2010, ending FY 2011 with $15.2 million in profit."

Five months later, in October 2013, the board of the Tri-City Healthcare District, which administers the namesake hospital, fired Anderson, accusing him of pressuring the former CFO to misstate financial reserves, according to a report in the San Diego Union-Tribune.

The board also accused Anderson of spending Tri-City money to investigate the mayor of Carlsbad regarding matters unrelated to district business, and making inappropriate payments to a company contracted by the district to build a medical office building, the Union-Tribune reported. Anderson issued a blanket denial of the accusations, which were contained in the board's letter of termination, the newspaper reported.

Earlier this month, Anderson told a reporter that he had not seen the Union-Tribune report and that he does not make comments in the newspaper.

Contact Tom Lochner at 510-262-2760. Follow him at Twitter.com/tomlochner.

Prepared by Sup. John Gioia
March 26, 2015

DOCTORS MEDICAL CENTER CHRONOLOGY

1948	Hospital District formed by West County voters
1954	Brookside Hospital opens

DMC HAS BEEN FINANCIALLY CHALLENGED SINCE THE 1990'S

1994 — Hospital District converts to West Contra Costa Healthcare District (WCCHD)

1997 — Brookside Hospital affiliates with for-profit Tenet Health Systems to operate the hospital and renames it Doctors Medical Center (DMC)

2004 — **Tenet sustains financial losses** and is unable to profitably operate the hospital after making substantial investments, including attempts to improve the payor mix, **and terminates affiliation** and returns operation of the hospital back to the Healthcare District (with hospital losing money, no cash and without a management team)

Nov 2004 — **Voters pass Measure D** by 84% margin to assess a parcel tax of $52/year to raise approximately **$5.6 million/year.**

- Proceeds of new tax used to secure **$26 million in long-term financing/debt** to support hospital operations and make necessary investments in the hospital and its equipment.

2005 — DMC sustains $23 million in operating losses in 2005 and consumes much of the cash reserves created by the 2004 financing.

Feb 2006 — DMC closes Inpatient Burn Unit to stem losses.

Sept-Nov 06 — Emergency Department goes on ambulance diversion for 6 weeks.

Oct 2006 — DMC sustains $35 million in operating losses in 2006 and WCCHD files for Chapter 9 bankruptcy protection.

Oct 2006 — DMC closes Obstetrics Department to stem losses and closes Pinole campus.

Oct 2006 — At Supervisor John Gioia's urging, the **Contra Costa Board of Supervisors approves a Recovery Plan** for the hospital that includes the establishment of a Joint Management Agreement between WCCHD/DMC and the County, and establishes a process to transfer **$10 million from Contra Costa County** to the State which was **matched by the Federal Government (additional $10 million)** to provide enhanced Medi-Cal payments to DMC resulting in **$20 million cash infusion** to keep DMC open. Funds used to support payroll/operating expenses.

Dec 2006 WCCHD Board approves Wellspring Management Services (hospital turnaround consultants) contract to assess DMC's financial situation and develop a sustainable business plan.

Feb 2007 First meeting of the new DMC Management Authority JPA Board occurs

March 2007 JPA Board approves amendment to Wellspring Contract to provide assistance to implement "quick-fix" **initiatives relating to billing and collections, which improved cash flow by more than $2.5 million**.

Spring 2007 Replace DMC management with interim management team through Wellspring (CEO, CFO, Chief Nursing Officer/Chief Operating Officer, Controller, HR)

During 2007 DMC negotiates **improved reimbursement contracts** with managed care payors (health insurance companies) for an **annual benefit of $2.9 million**.

July 2007 WCCHD and JPA Boards approve business plan presented by Wellspring. JPA Board approves amendment to Wellspring contract to begin the 90-day first phase of implementation of the initiatives in the new business plan.

Aug 2007 Wellspring begins implementing following **initiatives to yield savings of $9.7 mil.**

- Revenue Cycle – improve billing/collections by redesigning revenue cycle process and implementing new denial management process
- Labor – right size staff with hospital volume and need, including improving staffing productivity, implementing control and productivity systems, and redesigning staffing approach
- Non-Labor – renegotiate pricing arrangements with health insurance companies to bring in line with industry standards and current DMC cost structure and renegotiate vendor contracts to get better pricing on products and services.

Aug 2007 County Health Officials, Supervisor John Gioia, DMC CEO, and local legislators work to get California Medical Assistance Commission **(CMAC) to award $5 million Distressed Hospital Funding** to DMC.

Nov 2007 JPA members Supervisor John Gioia and Pat Godley (CFO of Contra Costa Health Services) make presentation to CMAC in Sacramento regarding need for additional state funding to compensate DMC for unreimbursed indigent care costs and unreimbursed Medi-Cal costs.

Dec 2007 **California Medical Assistance Commission (CMAC) votes to provide DMC with** $**36 million** in funding ($12 million per year for 3 years)

Jan 2008 JPA Board approves DMC operating budget, which **reduced deficit from over $30 million to $18 million per year.**

March 2008 Hospital leadership, Supervisor John Gioia, WCCHD Director Eric Zell, and Congressman George Miller **work with Bankruptcy Court Creditors' Committee to reach a settlement of the $18 million in creditor debt.**

WITHOUT OUTSIDE FUNDING, DMC DOES NOT EMERGE FROM BANKRUPTCY

April 2008 County Health officials Dr. Bill Walker and Pat Godley, Supervisor John Gioia, WCCHD Director Eric Zell, and Hospital Leadership work with Kaiser and John Muir Health Systems for multi-year funding commitment.

- **Kaiser announces $12 million grant** ($4 million/year for 3 years)
- **John Muir announces $3 million grant** ($1 million/year for 3 years)

April 2008 DMC files plan with U.S. Bankruptcy Court to emerge from bankruptcy with Creditors' Committee recommending approval of the plan by the Court

Aug 2008 U.S. Bankruptcy Court approves plan for DMC to emerge from bankruptcy and calling for payments to creditors over a 3-year time period of $12 million.

January 2011 DMC CEO Joe Stewart resigns and interim management brought back.

Spring 2011 Change in state rules governing allocation of inter-governmental transfers by California Medical Assistance Commission (CMAC) results in **decreased funding from CMAC to DMC from $12 million/annually to $1.2 million**.

March 2011 DMC unable to meet payroll and **County Board of Supervisors approves $10 million cash advance** to DMC for operations. Advance requires repayment from WCCHD's ad valorem tax.

July 2011 **Regional Planning Initiative is established to explore options**

- <u>Participants</u> – DMC, Contra Costa Health Services, Kaiser, John Muir Health
- <u>Scope of study</u> - Explored options for: (1) outside funding to close operating deficit on a permanent basis; (2) changes in structure and nature of services provided to find a more sustainable service delivery model; (3) potential lease/sale of the hospital; (4) development of a "legacy plan" in the event DMC is unable to remain open as a full-service hospital.
- <u>Conclusions</u>: Other health care models including freestanding emergency department, downsized 50 bed hospital, urgent care, and partnering with long-term care provider to lease excess capacity all continued to have substantial losses.
- <u>Outcomes</u>: Identified immediate initiatives to secure time to implement a longer term strategy which included: (1) Additional expense reductions; (2) new parcel tax; (3) additional debt financing; (4) multiple proposals to the State.

Fall 2011	DMC management **negotiates reduction of $1.2 million in past due amounts with vendors.**
Oct 2011	**SB 644** (sponsored by Senator Loni Hancock) signed by Governor Brown. SB 644 provides certainty to a future lender and enables DMC to borrow $20 million to continue operating while continuing to develop a sustainable model. SB 644 creates a statutory lien against the Healthcare District's 2004 parcel tax revenue so that the terms of a future loan to DMC cannot be modified by a bankruptcy court.
Nov 2011	Supervisor John Gioia and WCCHD Director Eric Zell co-chair Measure J Parcel Tax campaign. **Measure J ($47/year parcel tax) passes** with 74% support raising approximately **$5.1 million/year**. Measure J contains "sunset clause" providing that the tax is no longer collected if the hospital and emergency room close.
Nov 2011	Governing Board approves budget with additional **$6 million in cost reductions** recommended by hospital management.
Dec 2011	Hospital management finalizes **additional debt financing of $40 million** to support operations.
2011	DMC management puts in place a line-of-credit with a healthcare finance lender.
2011	**Kaiser provides an additional one year funding grant of $4 million** and DMC develops a line-of-credit to provide ongoing operational funding support.
2011	DMC officials **meet with state elected officials and state health officials seeking support to increase Medi-Cal reimbursement rate.** Efforts are unsuccessful.
Jan 2012	**Hospital management launches national effort to find a strategic partner.**
Spring 2012	DMC hires national healthcare consultant, Camden Group, which makes contact with over 2 dozen organizations (including UCSF, Stanford, Dignity Health, Sutter, Kaiser and many more) to pursue health care partnerships with the hospital. Only one entity (Avanti Hospitals) expresses serious interest. After due diligence and discussions, Avanti decides, in early 2013, not to move forward with DMC.
Spring 2013	**Contra Costa County starts discussions with UCSF Medical Center** about possible affiliation between UCSF, Contra Costa Health Services and DMC. Discussions end in early 2014 with no affiliation agreement.
2012-2013	DMC works with Camden Group (retained in Spring 2012) to develop strategic plan for hospital sustainability and to assist in finding a partner with whom DMC could either merge or affiliate with in order to gain economies of scale and to develop a sustainable business model. Plan identified immediate savings measures but concluded that DMC was not sustainable as a freestanding hospital and needed a partner for long-term sustainability.

April 2013 **Medicare payments cut by more than $3 million/annually** as part of the Federal Budget sequestration.

2012-2013 **DMC works to find a skilled nursing/rehabilitation service provider to rent excess unused inpatient hospital space.** Effort unsuccessful.

2012-2013 **DMC continues to institute strategies to save money and increase revenue**:

- Renegotiates better reimbursement rates with insurance companies
- Improves billing and collection practices
- Reduces management staffing by 19%, saving nearly **$600,000 annually**
- Streamlined staffing, making DMC one of the most efficient hospitals in the Bay Area
- Renegotiates physician contracts, saving **$1 million annually**
- Renegotiates vendor supply costs to save money
- Makes significant changes in health benefits structure for unrepresented employees to save money
- Eliminated the self-insured employee benefit program, which reduced costs and eliminated financial risk.

July 2013 **Contra Costa Board of Supervisors approves $9 million cash advance** to DMC to support operations. Advance requires repayment from District's ad valorem tax.

Nov 2013 **Hospital Governing Board declares fiscal emergency** because of projections it will run out of cash in May 2014. Factors leading to emergency: Since 2010 -- DMC lost $17 million/year in outside state and hospital support, DMC experienced 14% decline in operating revenues and 22% decline in inpatient volume through loss of commercially insured patients to privately owned medical facilities, and DMC used up its $40 million in debt financing obtained in 2011. DMC's average reimbursement per patient per day is 57% lower than average for East Bay hospitals.

Nov 2013 DMC submits written funding request to Kaiser

2014 **Affordable Care Act results in $2.8 million per year net decrease in revenues** for DMC (lower Medicare reimbursement rate under ACA more than offsets slight increase in revenue due to lower number of uninsured patients)

2014 **DMC makes funding appeals to Hospital Council** of Northern and Central California including Kaiser, Sutter and John Muir Health System. Efforts unsuccessful.

2014 **DMC makes funding appeals to corporations** (including Chevron, Republic Services, Mechanics Bank), **foundations** (including California Endowment, San Francisco Foundation, and Gates Foundation Global Health Initiative), and **local governments** to support hospital. Efforts unsuccessful.

2014	Throughout 2014, DMC officials continued to reach out to potential investors and hospital operating firms in search of a potential partner. None were willing to pursue discussions beyond an introductory meeting.
2014	**DMC management and CEO work with Touro University** to establish a partnership/affiliation that would bring in revenue to DMC. Effort unsuccessful.
Spring 2014	Supervisor John Gioia and WCHD Director Eric Zell co-chair June **Measure C Parcel Tax campaign to fully fund DMC's $20 million operating deficit**. Measure receives 52% support and **does not achieve 2/3 vote required to pass.**
Spring 2014	**DMC officials work with Congressman George Miller's office to develop potential partnership with the Veterans Administration.** Efforts unsuccessful after VA indicated that their need for inpatient beds was not significant enough to require additional beds for their system. Also, this VA region does not qualify for VA reimbursement to be paid to non-VA hospital providers.
Spring 2014	After attempting to receive a charitable contribution from the Lytton Tribe, DMC is successful negotiating a **lease agreement with the Lytton Tribe to receive upfront payment of $4.6 million** for the long term use of DMC parking lot. Approved by Healthcare District Board in May 2014.
June 2014	Contra Costa Board of Supervisors approves Supervisor Gioia's proposal to conduct a public opinion poll to gauge voter support for a one-quarter or one-half cent countywide sales tax for public safety and health services (including funding for DMC). **Poll results show it would be very difficult to pass a countywide sales tax.** Proposal does not move forward.
June 2014	**Contra Costa Board of Supervisors approves $6 million cash advance** to DMC to support operations and provide more time for DMC to explore options for sustainability. Advance requires repayment from District's ad valorem tax.
June 2014	**Regional Planning Initiative** (stakeholder group led by County Health Director Dr. Walker) established to explore previously studied options (in 2011) for future health-care service options: smaller full-service hospital, freestanding ER, and urgent care center. Participants include Hospital Council of Northern and Central California (including Kaiser, Sutter, John Muir Health Systems), DMC, Contra Costa Health Services, Alameda/Contra Costa Medical Association, Life Long Medical Care, with participation of California Department of Public Health official.
Summer '14	**DMC works with state legislators and California Department of Public Health (DPH) officials seeking authorization for operating a freestanding emergency room** (satellite emergency room to Contra Costa County Hospital). DPH concludes that existing state law does not authorize freestanding emergency rooms in California and that new statutory authority is required to do so.

Aug 2014 **DMC Emergency Room closes to 911 ambulances.** Stays open to walk in patients.

Sept 2014 **Regional Planning Initiative Stakeholder Group issues interim report which concludes that the following health care models are unsustainable** -- (1) a smaller full service hospital under either the County license or DMC license; (2) 24-hour satellite emergency department (while incurring a smaller operating loss than existing hospital) was not allowed under state law. Report also found that seismic costs for a new hospital to meet state standards would cost nearly $200 million.

Fall 2014 **DMC officials work with state legislators to achieve "public hospital" designation in order to potentially qualify DMC to receive higher Medi-Cal reimbursement rates.** The Center for Medicaid Services of the U.S. Department of Health and Human Services would still need to approve any reimbursement rate changes. Assemblymember Nancy Skinner and Senator Loni Hancock carry AB 39 to designate DMC a "public hospital" under state law and provide $3 million in one time state funding to DMC. **Only one time allocation of $3 million to DMC passes** in **SB 883** (the budget bill).

2014 **DMC continues to implement strategies to reduce expenses:**

- Closes San Pablo Towne Center facility
- Reduces staff
- Terminates Sodexo Contract for management of housekeeping, dietary and maintenance services.
- Eliminates self-insured employee health plan
- Successfully negotiates with Local One union for benefit changes

Oct 2014 **Richmond City Council conditionally approves providing $5 million** in funding to DMC **for 3 years**, totaling **$15 million**, from the Chevron Community Benefit fund contingent on other funding/savings to the hospital of approximately $13 million/year. Matching funds from other sources have not materialized and no money is available from Chevron until all legal challenges to their modernization project are resolved.

Nov 2014 **DMC Governing Board supports 5 X 8 Shared Commitment Plan** developed by Healthcare District Boardmembers Eric Zell and Irma Anderson to retain full service hospital, with the following eight funding goals to keep hospital open for five years:

- New parcel tax ($5 to $8 million/year)
- County debt repayment forgiveness ($3 million/year)
- Debt support from other local hospitals (Kaiser, Sutter, John Muir) ($3 to $4.3 million/year)
- Continuing operating efficiencies ($1 to 2 mil/year)
- Employee savings ($4.5 to $7 mil/year)
- City of Richmond Chevron Community Benefit fund ($15 mil over 3 years)
- Training program/residency partnership ($500,000)
- Reinvigorated DMC Foundation ($500,000 to $1.5 million)

Dec 2014	**DMC loses its accounts receivable financing** with Gemino Healthcare Finance due to concern for future risk of repayment.
Dec 2014	**Contra Costa Board of Supervisors approves** proposal by Supervisor Gioia to: (1) **permanently waive DMC's repayment to the County of $3 million/year** for 3 years **($9 million total)** conditioned upon DMC receiving $15 million/year (for 3 years) in other funding pursuant to the 5 X 8 Plan for a full-service hospital; and (2) temporarily suspend DMC's December 2014 and April 2015 repayments to the County totaling **$3 million.**
Dec 2014	**Regional Planning Initiative Stakeholder Group issues final report** confirming conclusions of the September 2014 Interim Report with additional conclusions on urgent care. Report noted that about 11% of DMC emergency room patients require hospital admission. The report concluded that an urgent care facility would incur a much smaller operating loss than the existing hospital or a freestanding emergency department. Losses would be further reduced if the center qualified as a Federally Qualified Health Center (FQHC). The report concluded that while none of the alternatives evaluated by the Stakeholder Group break even financially, "an urgent center with FQHC status offers the best long-term opportunity to become self-supporting." Report also concluded that "connecting patients to more appropriate primary care services and providing assistance to manage their health would reduce the demand on regional emergency rooms."
Jan 2015	**DMC Governing Board hears 4 proposals** (3 private proposals and one from City of San Pablo) to provide funding to DMC. 3 private proposers fail to deposit good faith money demonstrating financial capacity.
Feb 2015	DMC commissions public opinion poll to measure West County voter support for a parcel tax to partially fund DMC's operating loss**. Results show that support at $50, $100 or $150 per parcel remain well below the required 2/3 vote needed to pass.**
Feb 2015	DMC issues WARN letter announcing that it "will be closing and/or reducing certain of its services" on or after April 14, 2015.
March 2015	**Healthcare District Board negotiates and approves real estate transaction to sell the District's Vale Rd. medical office buildings and condominium,** and part of its hospital parking lot (the part subject to the long term lease to the Lytton Tribe) to the City of San Pablo for $7.5 million in cash and $4.4 million in debt reduction for a total value of **$11.9 million**. Infusion of cash avoids immediate closure by end of February 2015.
March 2015	Healthcare District Board and Governing Board meet to determine how to utilize $7.5 million in cash from San Pablo sale to assure employee and physician expenses are covered due to lack of future sources of funding to sustain hospital operations.

Contra Costa Times editorial: Health care system let down Doctors Medical Center

Contra Costa Times editorial © 2015 Bay Area News Group
Updated: 03/27/2015 12:09:29 PM PDT

ContraCostaTimes.com

- Mar 26:
- Board votes to close Doctors Medical Center in April
- Document: Doctors Medical Center Chronology
- Mar 6:
- Document: Letter to Bay Area billionaires to save Doctors Medical Center
- Feb 22:
- San Pablo: Doctors Medical Center supporters make appeal to Bay Area billionaires

The chairman of West Contra Costa's health care district board was exactly right Thursday night as directors voted to start shutting down Doctors Medical Center on April 21.

"This community is getting screwed at the end of the day by a system that has nothing to do with the people in this room," said Eric Zell.

Indeed, right up to the end, even though most have known for months that closure was inevitable, the quality of care has remained excellent and the cost of providing service has been well-controlled.

The hospital doesn't have an expenditure problem, it has a revenue problem. Hospitals like Doctors that serve primarily Medi-Cal and Medicare patients don't receive full reimbursement for the cost of care.

While the Affordable Care Act helped more Americans receive health services, it doesn't ensure everyone equal access. That wasn't a political option for President Barack Obama when he squeezed his compromise plan through Congress in 2010.

So, with few patients with private insurance, Doctors lacks a way to balance the shortfall from government-based coverage. That, more than anything else, explains why the hospital, financially challenged since the mid-1990s, has for seven years been unable to close an $18 million-$20 million annual operating shortfall.

The county, state and some other East Bay hospitals stepped up in years past to help close the gap. Then the health care district started floating bonds to cover ongoing expenditures, an irresponsible borrowing scheme that will burden future taxpayers for past operational costs.

It all finally caught up. The district is running out of cash and has run out of options. Every two weeks that it stays open adds roughly $1 million to the debt.

None of this if fair. Not our health care funding system. Not the huge service hole that will be left in a heavily populated region. Not the debt that will haunt taxpayers until 2027.

Right down to the wire, hospital doctors and staff kept hoping for a savior. In respect for that, district directors set the closure date one week later than originally proposed to give a former Southern California hospital administrator another crack at putting together a deal.

This is the same guy who recently claimed he had a billionaire investor ready to save Doctors. That turned out to be a farce. The chances he'll now be able to come up with cash and a real plan that stops the hemorrhaging are slim to none.

But, after all these years of struggle, directors will be able to say they exhausted every option.

Barnidge: The only thing tougher than keeping DMC alive is letting it go

Updated: 03/28/2015 07:23:16 AM PDT

ContraCostaTimes.com

A torrent of emotions, from anger to regret, flooded the hospital's auditorium, where a capacity crowd listened to the dire facts it didn't want to believe. An eight-page handout chronicled the succession of desperate efforts employed to keep the stand-alone hospital afloat.

Doctors Medical Center is seen in San Pablo on May 7, 2014.

There were parcel tax measures, advances against revenues, cash infusions, debt forgiveness, bonds and one-time gifts. Benefactors included the county, state and federal governments; Kaiser Permanent and John Muir Health; the California Medical Assistance Commission; even the San Pablo Lytton Casino. As recently as last year, DMC pried $4.6 million from its next-door neighbor to lease hospital property as parking space.

Yet, after all the funding maneuvers and bare-bones cost-cutting measures -- plus a trip into and out of bankruptcy -- Doctors Medical Center still is operating at an $18 million annual deficit, with no turnaround in sight. Closure was the only way stop bleeding money, board Chairman Eric Zell said, on what he called a "very difficult and sad day for everybody in this room."

That did not quell the die-hards -- many of them nurses and doctors -- from pleading for one more chance.

"There must be a way to save this hospital," one woman implored.

"This is absolutely unfathomable," another said.

Over the course of a meeting that spanned nearly four hours, despair gave way to anger, as exemplified by Dr. Sharon Drager, a member of the hospital's governing body. She said funding for Contra Costa Regional Medical Center and its clinics should be shared with DMC.

"This hospital isn't dying; it's being murdered," she said. "It's being strangled and starved by cynical county officials who tell the community that a hospital with tertiary care services can be replaced by an urgent care center attached to a primary care clinic -- and by not sharing the largesse bestowed on them by the county."

County Supervisor John Gioia, a fellow governing board member seated to her immediate left, could be excused for feeling unfairly attacked. He's lobbied long and hard for DMC. He said there was no logic in pitting one hospital against another. But on a night fueled by emotions, logic was not in great supply.

While much of the meeting dealt with how and when to shut down -- DMC will need $5.3 million to cover payroll, accrued vacation and vendor obligations if it closes soon -- there was one surprise. Larry Anderson, a self-described hospital-turnaround expert from San Diego, made a pitch to purchase DMC and turn it into a for-profit operation.

The eleventh-hour proposal, purportedly backed by $3 million in pledges from local doctors and $10 million from an unidentified investor, would entail hair-raising complexities, not the least of which is a special election. Before a publicly held hospital can be sold to a private investor, it must go to a districtwide vote.

Zell was understandably skeptical but reluctant to dismiss even a last-gasp effort. At his urging, the board postponed a scheduled April 14 closure one week to vet the proposal.

"I'm not holding out hope," he said, "but I want to provide every opportunity I can."

The only thing tougher than keeping DMC alive is letting it go.

Contact Tom Barnidge at tbarnidge@bayareanewsgroup.com.