



Modoc County Recorder
Darcy M. Locken, County Recorder
DOC- 2010-0002643-00

Recording Requested by Modoc LAFCO
When Recorded, Mail to:

Modoc LAFCO
C/O JOHN BENOIT,
P.O. Box 2694
Granite Bay, CA 95746

REQD BY MODOC LAFCO
Tuesday, OCT 12, 2010 13:45:46
Ttl Pd \$0.00 Nbr-0000086114
SGH/R1/1-10

CONFIRMED

MODOC LOCAL AGENCY FORMATION COMMISSION

CERTIFICATE OF COMPLETION (LAFCO File 2008-0001)

Pursuant to Government Code Sections 6103 and 27383, this document is fee exempt

CERTIFICATE OF COMPLETION

I, JOHN BENOIT, the Executive Officer of the MODOC Local Agency Formation Commission, hereby certify that the Last Frontier Healthcare District has been formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as follows:

The short title, if any, of the above-mentioned proceeding is: Last Frontier Healthcare District-Formation (LAFCO file 2008-01)

The names of the agencies involved are: Last Frontier Health Care District

The name of the County or Counties in which the entire Detachment is located is: Modoc County

This proposal is to form the Last Frontier Health Care District consisting of 611,200 acres more or less including south central Modoc County including and surrounding the Communities of Likely, Aluras, Canby and Cal-pines.

The change of organization completed is:

Inhabited Uninhabited

The resolution (LAFCO Resolution 2008-0006 adopted on November 13, 2008 including the legal description and Map of Territory) ordering the change of organization for which this Certificate is being written is set forth in Attachment "A."

The change of organization was:

N/A Ordered without an election and the Resolution ordering the change of organization _____ was adopted by the Local Agency Formation Commission on _____.

Confirmed by the voters and the Certification confirming the change of organization after confirmation by the voters was adopted by the Modoc County Board of Supervisors on September 14, 2010.

I, the undersigned, say I am the LAFCO Executive Officer and declare under penalty of perjury under the laws of California the forgoing is true and correct.

Local Agency Formation Commission

Dated: 12 Oct 2010

By: John Benoit
John Benoit, Executive Officer

Attachment "A"

Resolution 2008-0006
of the
Local Agency Formation Commission
of Modoc County, California

*Making Determinations and Approving the Proposed Formation of the Last Frontier
Healthcare District*

WHEREAS, a Resolution of Application (Resolution 2008-38) initiating the formation of the Last Frontier Healthcare District, has been adopted by the Modoc County Board of Supervisors pursuant to the Cortese-Knox Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Government Code Section 56000 has been filed with the Executive Officer of the Local Agency Formation Commission of Modoc County, California; and said application complied with all the requirements of law and the Commission; and,

WHEREAS, the proceedings for this formation are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 *et seq.* of the Government Code; and

WHEREAS, at the time and in the manner provided by law, the Executive Officer gave notice of the date, time, and place of a public hearing by the Commission upon said application; and

WHEREAS, the Executive Officer has reviewed the application and has prepared a report including staff recommendations thereon within the time required by law and has furnished copies of said report to the Commission and to all other persons required by law to receive it; and

WHEREAS, at a public hearing held November 13, 2008, the Commission considered the proposal and the report of the Executive Officer; the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56668; and all other relevant evidence and information presented at said hearing, including the comments of all interested parties desiring to be heard;

NOW, THEREFORE, the Modoc County Local Agency Formation Commission determines, resolves and orders the following:

1. The proposal is approved, subject to confirmation of the voters and upon the terms and conditions stated herein and in Resolution 08-38 of the Modoc County Board of Supervisors unless modified by this resolution.
2. The territory comprises approximately 611,200 acres more or less and is found to be inhabited.
3. LAFCO shall be the conducting authority for this reorganization.
4. The change of organization is assigned the following distinctive short-term designation:

Last Frontier Healthcare District—Formation

5. The Commission hereby affirms that this application is exempt from the California Environmental Quality Act pursuant to Section 15320 of the CEQA Guidelines

(Class 20) as the proposal would not result in any change in services previously provided since the County of Modoc already serves the territory with healthcare services and CEQA Guideline Section 15061 b (3) whereby this activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Since this proposal is converting an existing function from a county department to a new public entity, there is no possibility that this activity may have a significant effect on the environment. The Commission hereby adopts a Notice of Exemption for this formation.

6. The proposal is consistent with the spheres of influence of all affected agencies. No duplication of services shall occur in the territory between the County, City of Alturas, the Surprise Valley Health Care District and the Last Frontier Healthcare District, as proposed.
7. The Commission adopts the determinations regarding consistency with LAFCO Policies contained in the staff report for this project and incorporates them by reference herein.
8. The proposal includes all the parcels within the boundaries as shown in Exhibit "A" Proposed Last Frontier Healthcare District Map and Exhibit "B" Boundary Description for the Last Frontier Healthcare District.
9. The effective date of formation, if approved by the voters, shall be upon the recordation of the Certificate of Completion and after the completion of all proceedings.
10. The district shall be governed by a five-member Board of Directors elected at-large by the registered voters residing within the affected territory. The first 5-member Board shall be appointed by the Board of Supervisors with initial terms to be determined pursuant to the Uniform District Elections Law.
11. The boundaries of the district, as set forth in the proposal, are hereby approved as described in Exhibits A and B attached hereto and by this reference incorporated herein. The assessor's office has verified no lines of assessment are split by this proposal.
12. The district shall provide Health Care Services including operation of a Hospital, and may establish, maintain, and operate or provide assistance in the operation of, one or more health facilities or service, including but not limited to: outpatient programs, services and facilities; retirement programs; chemical dependency programs, services and facilities, or other health care programs, services and facilities; activities at any location inside and outside the district for the benefit of the district and people serviced by the district; to acquire, maintain and operate ambulances, or ambulance services inside and outside the district; and to establish a nurses' training school, or child care facility for the benefit of employees of the hospital or residents of the district. In addition to these specific powers, the board of directors of the district has the general powers to perform acts necessary or proper to carry out the provisions in Sections 32121 through 32137 of the Health and Safety Code.
13. LAFCO shall adopt a sphere of influence for the district following completion of a Municipal Services Review for the services to be provided by the Last Frontier

Health Care District and prior to any district annexations. LAFCO hereby adopts a provisional Sphere of Influence contiguous with the district's boundaries.

14. As stated in the LAFCO Staff Report of November 13, 2008 the amount of base and incremental property tax transferred to the new district from the County General Fund pursuant to Section 56842 of the California Government Code shall be zero.
15. As stated in the LAFCO Staff Report of November 13, 2008, the provisional appropriations limit for the new district required by Article XIII B of the California Constitution shall be \$0 for the first fiscal year, plus the amount of any new tax approved by the voters as part of the district formation.
16. Approval of this formation is conditioned upon the Board of Supervisor's obligation to defend, indemnify, and hold harmless the Modoc Local Agency Formation Commission and its agents, officers and employees from any claim, action or proceeding against the Commission or its agents, officers, and employees; including all costs, attorney's fees, expenses and liabilities incurred in the defense of such claim, action, or proceeding to attack, set aside, or void the approval or determinations of this Commission concerning this formation. The Local Agency Formation Commission of the County of Modoc shall promptly notify the applicant of any such claim, action, or proceeding and be entitled to representation by counsel of its choosing.
17. The district shall confer with the Modoc County Auditor during its budgeting process and its expenditure of funds as a public agency.
18. All LAFCO, Modoc County and State of California fees and (or) expenses must be paid in full prior to filing the Certificate of Completion. LAFCO will forward invoices and (or) a list of required fees/deposits and (or) expenses to the Save our Hospital Committee prior to filing the Certificate of Completion for direct payment by the project proponents.
19. The district shall reimburse the County of Modoc for the cost of district formation, less any donations the County receives to defray election expenses or for any other purpose relating to the proposal.
20. Three reproducible copies, ten 24 by 36 inch copies and two 8 1/2 reductions of all final maps along with 5 copies of the final metes and bounds description shall be submitted to LAFCO prior to the recordation of the Certificate of Completion.
21. The boundary description, fees and maps shall meet the requirements in 54902 and 54902.5 of the Government Code and as stated in the State Board of Equalization Change of Jurisdictional Boundary Requirements for Statements, Boundary Description, Maps and Schedule of Processing Fees. If rejected by the State Board of Equalization, Maps and Legal Descriptions will be revised at the expense of the proponents prior to recordation of the Certificate of Completion.
22. The " Transition of Ownership", attached as Exhibit "C", is hereby ordered and adopted to ensure the orderly transition of County Health Care Functions to the Last Frontier Health Care District.

23. The Last Frontier Health Care District shall be funded by a special tax and (or) special assessment approved by the voters (or) landowners, whichever the case, and shall not be formed unless an adequate funding mechanism has been approved. The language in the Ballot Measure shall substantially comply with the language included in the attached Exhibit "D", "Proposed Ballot Measure Language". Certification of the election results by the Modoc County Clerk shall be submitted to LAFCO prior to the Certificate of Completion.
24. The Board of Supervisors is hereby requested to order an election for the funding mechanism. Likewise, the Local Agency Formation Commission hereby requests the Board of Supervisors to order and call an election by the registered voters residing in the proposed territory at the earliest time possible confirming the formation of this district. The form used for a district formation shall be consistent with the language contained in Government Code Section 57133(k). This formation shall be contingent upon voter approval of a funding mechanism.
25. The Executive Officer is hereby directed to transmit a certified copy of this resolution to each affected agency, as provided in G.C. Section 56853 including the Modoc County Clerk and Modoc Co. Board of Supervisors.
26. The Executive Officer is directed to record a Certificate of Completion for this proposal upon completion of all proceedings.
27. Completion of proceedings shall be concluded within one-year after adoption of this resolution. If the proceedings are not concluded within one year after passage of this resolution, all proceedings shall be terminated.

The foregoing resolution was duly passed by the Local Agency Formation Commission of Modoc County at a regular meeting held on November 13, 2008 by the following roll call vote:

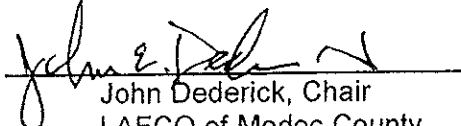
Ayes: Neer, Macsay, Dunn, Dederick

Noes:

Abstains: Schreiber

Absent:

Signed and approved by me after its passage this 13th day of November, 2008.


 John Dederick, Chair
 LAFCO of Modoc County

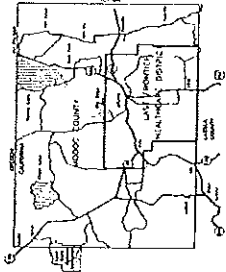
Approved as to Form:


 J. S. Kenny, LAFCO Counsel

Exhibit "A"

COUNTY OF MODOC

EAST FRONTIER HEALTHCARE DISTRICT



VERMONT MAP, 1975

DISTRICT AREA = 2,825.47
 DISTRICT SIZE = 55 MI. E-W x 226 MI. N-S

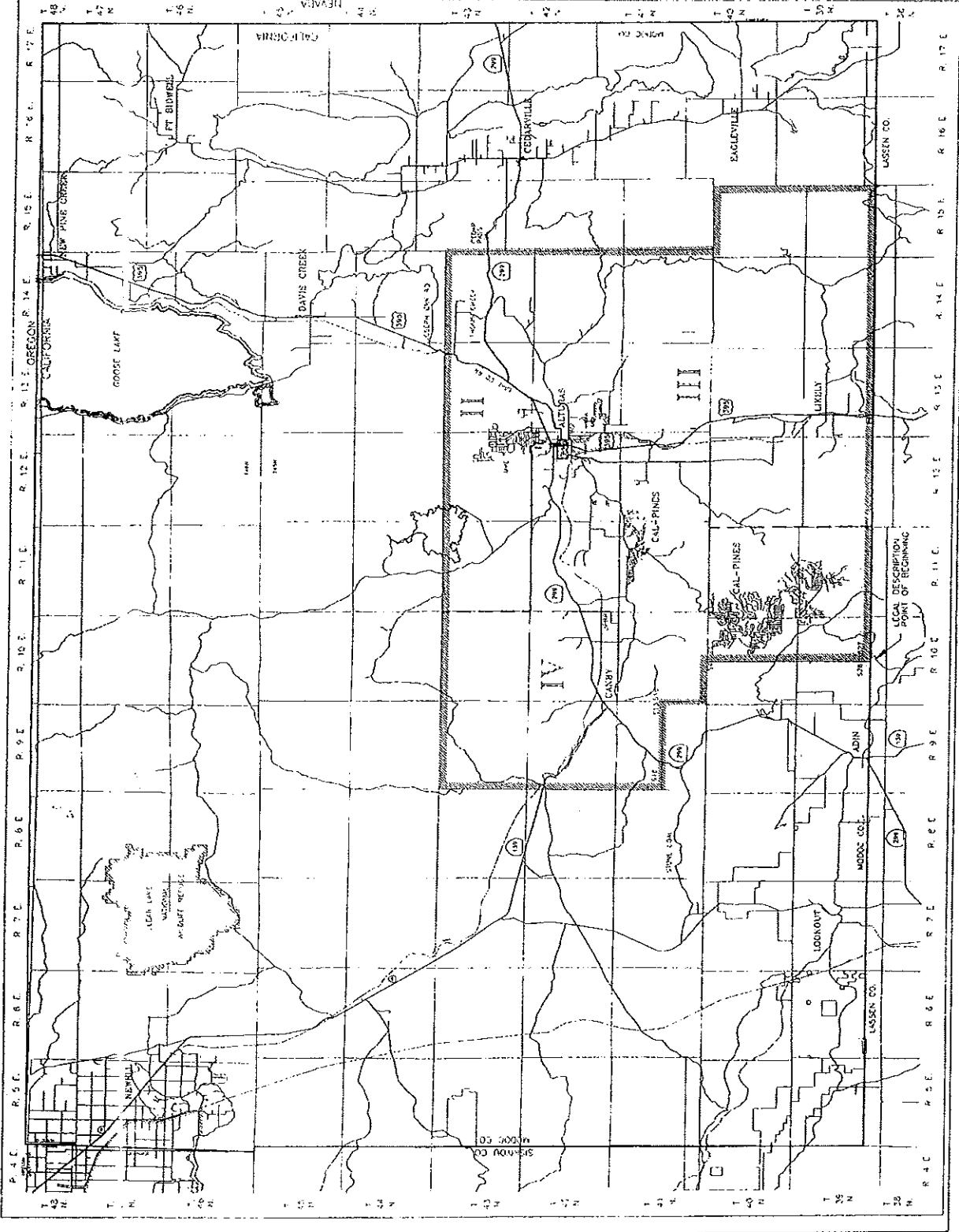
LEGEND

HEALTHCARE DISTRICT BOUNDARIES
 U.S. COUNTY SUPERVISORIAL DISTRICTS



SCALE
 1 0 1 2 4 6
 MILES

SCALE 1" = 2 MILES



LEGAL DESCRIPTION
 POINT OF BEGINNING

EXHIBIT B

LEGAL DESCRIPTION OF LAST FRONTIER HEALTHCARE DISTRICT BOUNDARY

Commencing at the intersection of the Modoc-Lassen County line with the section line common to Section 27 and Section 28, T 39 N, R 10 E, M.D.M.;

Thence northerly along the legal subdivision line 11 miles, more or less, to the township line common to T 40 N and T 41 N, R 10 E;

Thence westerly along said township line to the SW corner of Sec. 31, T 41 N, R 10 E;

Thence northerly on the range line 3 miles, more or less, to the SE corner of Sec. 13, T 41 N, R 9 E;

Thence westerly along the section lines 6 miles, more or less, to the SW corner of Sec. 18, T 41 N, R 9 E;

Thence northerly along the range line common to Range 8 East and Range 9 East, 15 miles, more or less, to the township corner common to T 43 N and T 44 N, and R. 8 E and R. 9 E.;

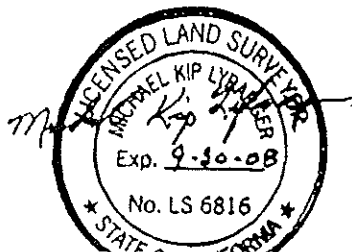
Thence easterly along the township line common to T. 43 N. and T. 44 N. 36 miles, more or less, to the northeast corner of Section 1, T. 43 N., R. 14 E.;

Thence southerly, along the range line common to Range 14 E. and R. 15 E., 18 miles more or less, to the southwest corner of Section 31, T. 41 N., R. 15 E.;

Thence easterly, along the township line common to T. 40 N. and T. 41. N. a distance of 4.25 miles, more or less, to the northeast corner of Section 1, T. 40 N., R. 15 E.;

Thence southerly, along the range line common to R. 15 E. and R. 16 E., a distance of 10.5 miles, more or less, to the Modoc-Lassen County line;

Thence westerly, along said Modoc-Lassen County line, 32 miles, more or less, to the section line common to Section 27 and Section 28, T 39 N, R 10 E, M.D.M., said point being the true point of beginning.



**TRANSITION OF OWNERSHIP
MODOC MEDICAL CENTER
FROM
COUNTY OF MODOC
TO
LAST FRONTIER HEALTHCARE DISTRICT**

The County of Modoc and the Citizens Save the Hospital Committee agree to the following:

- I. Following an election whereby those voting within the designated proposed hospital district boundaries, passes by super majority, votes in favor of the formation of the Last Frontier Healthcare Tax District, the County of Modoc will transfer title to all health care facilities known as Modoc Medical Center and the property it is located to the Last Frontier Healthcare District. The ownership shall remain with the Healthcare District until such time as the Healthcare District ceases to use the facilities and property to provide healthcare services as was being provided by the County of Modoc at time of transfer. When the use of the facilities for healthcare services ceases all facilities and property will revert back to ownership of the County of Modoc.
- II. Transfer of all healthcare facilities will have an effective date, following an agreed to transition period following the election, of July 1, 2009.
- III. The County will transfer ownership of all inventory and equipment at the time of facility ownership transfer to the Healthcare District. The Healthcare District will assume all debt, lease agreements, contracts, etc., on all inventory, equipment and service providers along with all accounts receivable owed Modoc Medical Center at the time of transfer.
- IV. The Healthcare District agrees to continue to provide services to citizens living outside district boundaries at a level equal to or higher than being provided by the County at time of transfer including the Ambulance Services in Adin until an acceptable alternative becomes available.
- V. The Healthcare District shall transition all County employees currently employed by Modoc Medical Center to Healthcare District employees. The Healthcare District agrees to open a negotiating process with the Hospital employees that will result in no net decrease in salaries and benefits cost.
- VI. The Healthcare District agrees that at the end of each fiscal year following the required audit, that if that audit shows a net revenues, the district will enter into negotiations with the Board of Supervisors of the County to use a portion, up to 100%, as a contribution to assist in the pay down of the current Hospital debt with the County Treasurer.

VII. During the transition period, the County and the Healthcare District will work together to cause all hospital operating licensing to be transferred to the District with an effective date of ownership transfer.

VIII. During transition, the Healthcare District will seek out and assure all necessary insurance coverage to be effective on date of transfer. The County agrees to pay the premium for tail coverage for Medical Malpractice and Liability.

IX. The Healthcare District agrees to provide services and operate the hospital in compliance with Federal and State laws.

X. The Healthcare District agrees to continue to provide medical services to inmates housed at the County Corrections Facility according to current standing agreements with the Modoc County Sheriff's Department.

XI. The County and the Healthcare District will work together to assure that all the following, but not limited to, are notified of the change of ownership and the effective date:

- a. State, Federal and all other insurance providers
- b. Fire, schools and utility companies
- c. All vendors and suppliers

XII. The Healthcare District will assume responsibility for all contract employees including Medical Staff.

XIII. The Healthcare District will request Modoc County Assessor, Tax Collector and Auditor prepare, send and collect the Healthcare District tax assessment.

Exhibit "D"

Proposed Ballot Measure

Special Tax to Fund the Last Frontier Healthcare District

Shall a measure be adopted to assess a special tax of \$195.00 per annum per landowner, regardless of the size or number of parcels owned by each landowner, which shall be assessed only if Last Frontier Healthcare District is formed and shall be collected in the same manner as taxes on real property, commencing in the 2008-2009 fiscal year, with revenue to be used for any lawful purpose of the Last Frontier Healthcare District?

"Shall the order adopted on November 13, 2008, by the Local Agency Formation Commission of Modoc County ordering the formation of a district in the territory described, known as the Last Frontier Healthcare District, be approved?"

Note: Both of the above measures shall be approved by the voters prior to the formation of the Last Frontier Healthcare District.