

**Municipal Service Review
and
Sphere of Influence Recommendation**

**Southern Mono Healthcare District
Mono County, California**

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SUMMARY

Municipal Service Review Determinations

1. Infrastructure Needs and Deficiencies

- The district just completed a \$30 million expansion program. Long-term plans include the construction of a new patient wing, a pediatric clinic, and additional parking for 100 cars.
- Additional development in Mammoth Lakes and Mono County will place more pressure on the district to augment its service capacities.
- The district has identified the recruitment and retention of health professionals as a major challenge over the next 20 years, due to national manpower shortages in the healthcare professions and the high cost of living in the Eastern Sierra.

2. Growth and Population Projections for the Affected Area

- The Town of Mammoth Lakes General Plan allows for significant additional growth in the area served by the SMHD.
- Growth is anticipated to occur primarily in and adjacent to existing developed areas and to include a wide spectrum of residential, resort, commercial, and industrial uses.
- The population within the Town of Mammoth Lakes is projected to increase to 52,000 PAOT by 2024, creating an increased demand for medical services. This population projection includes permanent residents, transient residents, and visitors, as indicated by the term “people at one time” (PAOT).
- The Mono County General Plan also allows for significant growth throughout the county, including within the district’s boundaries.
- In 2007, the California State Department of Finance estimated that Mono County’s total population was 13,985, with 6,425 persons in the unincorporated area. The Department of Finance estimates that by 2020, the countywide population will be 18,080, and by 2030, the countywide population will be 22,894. These projections include the permanent residents of Mammoth Lakes.
- Mono County, like Mammoth Lakes, experiences a significant number of visitors and second homeowners throughout the year, raising the PAOT in the county to a higher figure than the projected permanent population.

3. Financing Constraints and Opportunities

- The Southern Mono Healthcare District’s future financing will continue to rely on patient revenues.
- Grant funding, bonds, investments, and gifts will continue to be additional sources of revenue for the district.
- The district has ongoing concerns related to financial constraints, i.e.: providing some services is not feasible due to low population numbers, the cost per patient is high due to low volume, and serving the uninsured and underinsured remains a financial liability.
- The district has identified an opportunity to address these concerns by collaborating with Northern Inyo Hospital District to form a regional healthcare system for the Eastern Sierra.

4. Cost Avoidance Opportunities

- The district is the only healthcare provider in Mono County, other than the Mono County Department of Public Health, which provides only limited services to specific populations.
- A significant percentage of admissions are from outside the district boundaries, including in FY 2006-2007, 17 percent from Bishop, Chalfant, and Wheeler Crest and an additional 4 percent from elsewhere in Inyo County.
- The Northern Inyo Hospital District operates a Critical Access Hospital with 25 beds in Bishop and provides a wide array of services. In addition, the district operates an urgent care facility in Bishop, the Rural Health Clinic.
- The district has identified an opportunity to reduce the duplication of services by collaborating with Northern Inyo Health District to form a regional healthcare system for the Eastern Sierra.

5. Opportunities for Rate Restructuring

- All funding mechanisms have inherent limitations that may prevent their implementation, use or restructure.
- The Southern Mono Healthcare District's main sources of revenue are patient revenues and property taxes, neither of which is easily restructured.
- The Southern Mono Healthcare District applies for and receives grant funding on an ongoing basis.

6. Opportunities for Shared Facilities and Resources

- Currently, Southern Mono Healthcare District and Northern Inyo Hospital District both provide a variety of medical services to residents and visitors in the Eastern Sierra.
- The Southern Mono Healthcare District believes there is a need to develop an effective regional approach to healthcare delivery for the Eastern Sierra, in order to reduce duplication of expensive facilities, technology, and staff, lower costs, and make the provision of additional specialty services feasible.
- The district has identified an opportunity to reduce the duplication of services by collaborating with Northern Inyo Health District to form a regional healthcare system for the Eastern Sierra.

7. Government Structure Options

- Currently, Southern Mono Healthcare District and Northern Inyo Hospital District both provide a variety of medical services to residents and visitors in the Eastern Sierra.
- The Southern Mono Healthcare District believes there is a need to develop an effective regional approach to healthcare delivery for the Eastern Sierra, in order to reduce duplication of expensive facilities, technology, and staff, lower costs, and make the provision of additional specialty services feasible.
- The district has identified an opportunity to reduce the duplication of services by collaborating with Northern Inyo Health District to form a regional healthcare system for the Eastern Sierra.

8. Evaluation of Management Efficiencies

- The Southern Mono Healthcare District is governed by an elected board of commissioners.
- The district is managed by a management team that includes a Chief Executive Officer, Medical Staff, a Chief Operating Officer, Chief Nursing Officer, Chief Financial Officer and Legal Counsel.
- Management input is provided during daily operations as well as during long-term strategic planning for the district.
- The district has comprehensive long-term planning documents.
- The district intends to update its 10-year plan, including service demand projections, this year. Since the district serves a population outside of the Town boundaries, the update of the 10-year plan should address future development in the unincorporated area of the county as well as in the Town.
- The district has identified an opportunity to reduce the duplication of services by collaborating with Northern Inyo Health District to form a regional healthcare system for the Eastern Sierra.

9. Local Accountability and Governance

- The Southern Mono Healthcare District complies with the minimum requirements for open meetings and public records.
- The district provides outreach to the community in a variety of ways in order to increase public awareness of its services and facilities.
- The district provides interpreter services and Hispanic outreach programs to serve the Hispanic population in the area.

Sphere of Influence Findings

1. Present and Planned Land Uses

Present land uses within the district and Town boundaries include resort uses, commercial uses, public uses, multiple-family residential uses, and single-family residential uses. The residential uses are a mix of fulltime residential uses and seasonal residential uses. Planned land uses within the Town's Urban Growth Boundary are similar with future development occurring within and adjacent to existing development. The Town's population at buildout is forecast to increase to 52,000 PAOT (people at one time), a fifty-two percent increase over the current PAOT of 34,265 persons.

Present land uses in the area served by the Southern Mono Healthcare District includes residential, commercial, and public uses in the communities in the southern portion of the district and commercial and industrial uses in the northern portion of the district. The planned land uses for community areas are similar with future development concentrated primarily within and adjacent to existing development.

Areas outside of the district's boundaries also contribute to the district's patient load. Most communities in Mono County are predominantly single-family residential uses, with limited multi-family residential uses, and small commercial and industrial facilities. Those uses are not expected to change.

2. Present and Probable Need For Public Facilities and Services

The SMHD area has an existing and continuing need for public facilities and services to serve the increasing development in the area.

3. Present Capacity of Public Facilities and Adequacy of Public Services

The district currently provides an adequate level of service but has identified a need to improve both its facilities and services in order to serve additional development.

4. Social or Economic Communities of Interest

The district has social and economic ties to areas outside of its boundaries, including portions of Mono County from Bridgeport south to the Inyo County line, and areas in the northern portion of Inyo County. Social and economic ties to areas in Inyo County have no relevance in determining the sphere of influence for the district since special districts cannot provide services outside of their county.

Sphere of Influence Recommendation

The existing Sphere of Influence for the Southern Mono Healthcare District is coterminous with the boundaries of the district. Since the district operates a clinic in Bridgeport and serves clients from throughout Mono County, as well as from Inyo County, the Sphere of Influence for the Southern Mono Healthcare District shall be from the Bridgeport Valley south to the Inyo County line (see Figure 3). The Sphere of Influence should include those areas in Wheeler Crest and Paradise that are currently excluded from the boundaries of the district.

The existing sphere report for the SMHD, adopted in October 1990, established a Planning Concern Area (PCA) for the district that included June Lake, Lee Vining, and Mono City. The Planning Concern Area is superseded by the expansion of the Sphere of Influence boundaries.

Reorganization Recommendation

In order to provide more efficient, comprehensive healthcare services to the Eastern Sierra, and to eliminate existing overlap in service provision, Lafco should work with Southern Mono Healthcare District, Northern Inyo Hospital District, and any other affected agencies, to provide a regional healthcare system for the Eastern Sierra. Existing districts should reorganize to create a single administrative entity for healthcare in the area. Reorganization should occur only when all affected agencies agree to a regional healthcare district.

I. INTRODUCTION

Municipal Service Reviews

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires Local Agency Formation Commissions (LAFCOs) to conduct comprehensive reviews of all municipal services in each county in California and to periodically update that information. The purpose of the municipal service reviews is to gather detailed information on public service capacities and issues.

Relationship Between Municipal Service Reviews and Spheres of Influence

The Cortese-Knox-Hertzberg Local Government Reorganization Act requires LAFCOs to develop and determine the Sphere of Influence (SOI) for each applicable local governmental agency that provides services or facilities related to development. Government Code Section 56076 defines a SOI as “a plan for the probable physical boundaries and service area of a local agency.” Service reviews must be completed prior to the establishment or update of SOIs (§56430(a)). Spheres of influence must be reviewed and updated as necessary, but not less than once every five years (§56425).

The information and determinations contained in a Municipal Service Review are intended to guide and inform SOI decisions. Service reviews enable LAFCO to determine SOI boundaries and to establish the most efficient service provider for areas needing new service. They also function as the basis for other government reorganizations. Section 56430, as noted above, states that LAFCO can conduct these reviews “before, in conjunction with, but no later than the time it is considering an action to establish a SOI.”

The Southern Mono Healthcare District Municipal Service Review is being conducted in response to, and in conjunction with, an update of the sphere of influence for the district.

II. SOUTHERN MONO HEALTHCARE DISTRICT

DISTRICT OVERVIEW

Service Area

The Southern Mono Healthcare District was formed in 1968 to provide hospital services to the southern portion of Mono County, including the community of Mammoth Lakes. The district boundaries include approximately 432 square miles of public and private lands along Highway 395 in the southwest corner of Mono County, reaching from Deadman Summit to the Inyo-Mono county line, including the Town of Mammoth Lakes and the communities in Long Valley, i.e. Sunny Slopes, Aspen Springs, Crowley Lake, McGee Creek, and Long Valley (see Figure 1). Wheeler Crest and Paradise are excluded from the district boundaries.

The district's boundaries include a variety of recreational areas as well as the community areas. Mammoth Mountain Ski Area, June Mountain Ski Area, Lake Crowley, and a number of other lakes are located within the district boundaries. Mammoth Yosemite Airport is also located within the district's boundaries.

The district provides services to patients from Mono and Inyo Counties, as well as a large visitor population, primarily at hospital and clinic facilities located in Mammoth Lakes. The district also provides services outside of its designated service area, at the Bridgeport Family Medicine Clinic and at the Bishop Orthopedic and Neurology Clinic.

Population Characteristics

Population data from the 2000 US Census and California Department of Finance population estimates show the resident population of the Town of Mammoth Lakes to be 7,094 in 2000 and 7,560 in 2007 (Census 2000 Summary File 1, Table 3, Mono County Housing Element; DOF, Table E-1). The population of Long Valley was approximately 1,147 in 2000 and 1,316 in 2007 (Census 2000 Summary File 1, Table 3, Mono County Housing Element; DOF, Table E-1). The overall resident population within the boundaries of the district was approximately 8,876 in 2007.

As a destination resort, the Town of Mammoth Lakes experiences high visitor populations. The average peak population calculated by the town in 2004 was 34,265 PAOT (people at one time). That figure includes permanent residents, transient residents, and visitors and represents the peak population on an average winter Saturday (Town of Mammoth Lakes General Plan Update, Chapter 4.9, Population, Housing and Employment).

Mono County GIS shows 5,591 parcels within the boundaries of the district, including 3,629 developed parcels (residential or commercial parcels valued at \$10,000 or more).

Southern Mono Healthcare District -- Municipal Service Review

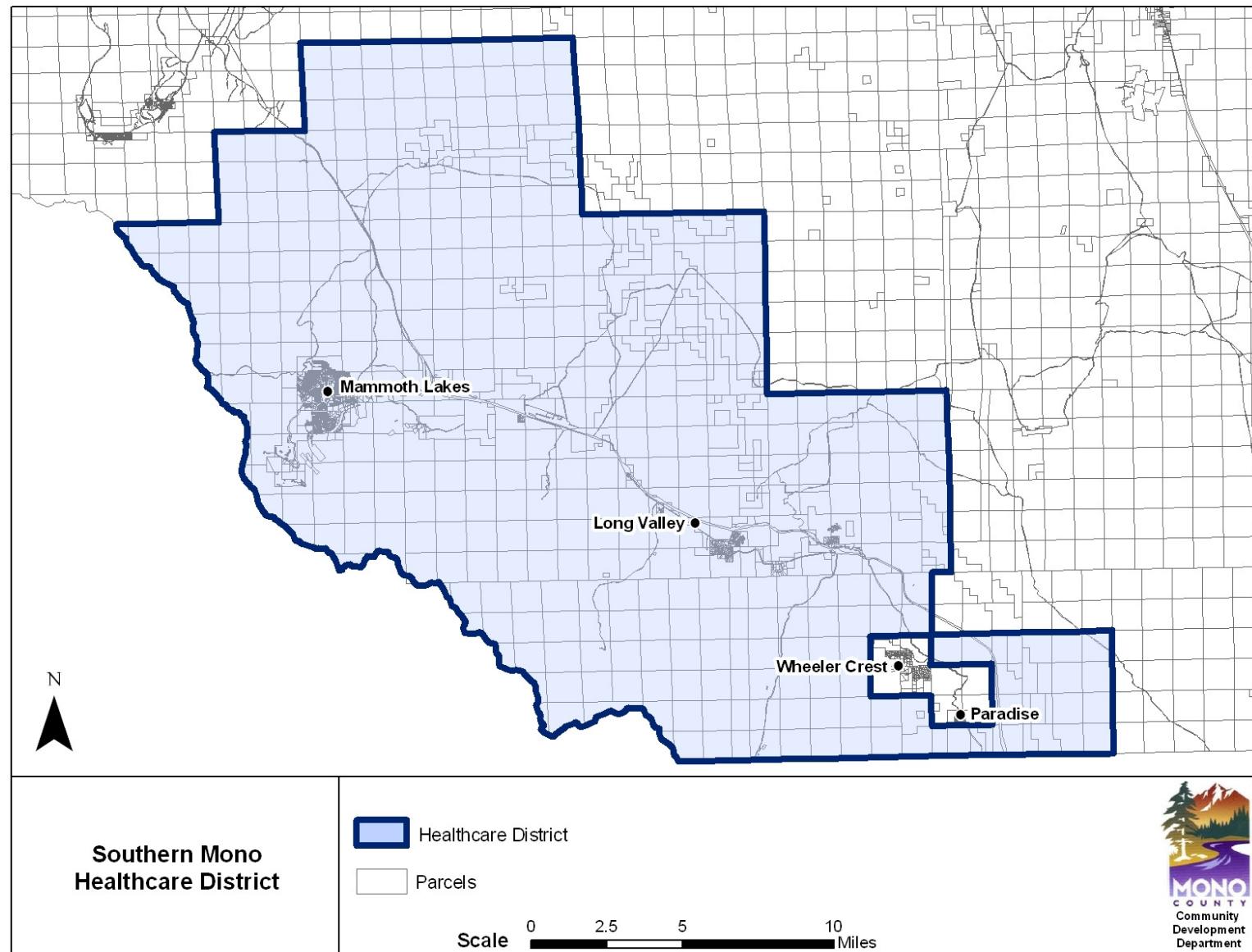


Figure 1 – Southern Mono Healthcare District Boundaries

Surrounding Area

The area immediately surrounding the district is recreational lands and open space managed by the Inyo National Forest, the Bureau of Land Management (BLM), and the Los Angeles Department of Water and Power (LADWP). Wilderness areas surround the district to the south and the west and Devil's Postpile National Monument is located west of the district in Madera County. The communities of June Lake, Lee Vining, and Mono City are located north of the district, along with Mono Lake and the eastern entrance to Yosemite National Park.

On a larger regional scale, the district is located in the Eastern Sierra, an area encompassing Inyo and Mono Counties. Both counties are predominantly public lands, managed by federal land management agencies and LADWP. Small communities are dispersed throughout both counties, along US 395 and SR 6. The area is desert and high desert and is an outdoor recreation destination in both summer and winter. Bishop in Inyo County and Mammoth Lakes in Mono County are the centers of economic activity in both counties and provide most of the services, including healthcare services, available in either county.

Land Ownership

The Town of Mammoth Lakes includes approximately 2,500 acres (4 square miles) of privately owned land in the developed portion of the 24 square mile incorporated area. The remaining incorporated area is publicly owned and is managed by the Inyo National Forest. Outside of the Town boundaries, land in the district is primarily publicly owned. LADWP owns and manages several parcels of land to the east of Mammoth Lakes, adjacent to the junction of SR 203 and US 395, as well as large parcels adjacent to Lake Crowley. The BLM also manages lands adjacent to Lake Crowley. The remaining publicly-owned lands within the district's boundaries are managed by the Forest Service. The district also includes small parcels of privately-owned lands in the Long Valley communities, along the Owens River northwest of Lake Crowley, and scattered throughout the rest of the district.

Planned Land Uses

The Town of Mammoth Lakes General Plan Update, adopted in 2007, provides planning direction for private lands within the incorporated area, including at the Mammoth Yosemite Airport. The Town's General Plan, at buildout, provides for a large-scale destination resort with associated residential housing, transient housing, commercial and resort uses, and community uses such as a library, schools, and healthcare facilities.

Substantial additional development has been proposed for the Mammoth Yosemite Airport. However, there is currently a building moratorium at the airport and the future long-term development plans for the airport are unknown at this time.

The Mono County Land Use Element provides for substantial additional development in Long Valley, primarily in the communities along Crowley Lake Drive. The additional development allowed by the plan in community areas would be a mix of single-family residential uses, multiple-family residential uses, and commercial uses. Additional development is also proposed for the commercial and industrial uses in the northern part of the district (Mammoth Geothermal Plant, Sierra Business Park).

District Planning

The district has a Vision Statement, a Mission Statement, a Values Statement, and Strategic Planning Goals. The district develops and adopts long-range goals and objectives through a strategic planning process involving board members, medical staff, the management team, and the community. That planning process assesses market factors, regional economic trends, local development plans, and other applicable factors.

The district completed a 10-year plan in 2000 to forecast future service demand. That document was tied to the development allowed by the Town's General Plan. The district plans to complete an update of their service demand projections this year.

District Issues of Concern

Over the next 20 years, the district anticipates a major challenge in recruitment and retention of staff due to national shortages of healthcare professionals and the high cost of living in a resort area. The increasing costs of technology, facilities, and staff will remain an issue, as will the service challenges of the uninsured or underinsured.

Currently, the district faces the following challenges in meeting the service needs of the community:

- The broad geographic area and low population numbers preclude the development of some services. They are not financially feasible.
- The cost per patient is high due to low volume.
- The dramatic seasonal variation in business due to the summer and winter tourism affects the provision and cost of services.

The district sees the following challenge for the region as a whole:

- The need to develop an effective regional approach to healthcare delivery for the Eastern Sierra, rather than the current provincial approach. Creating a regional healthcare delivery system would reduce duplication of expensive facilities, technology, and staff, lower costs, and make the provision of additional specialty services feasible.

DISTRICT SERVICES

Type of Services Provided

The district currently provides a wide array of medical services and acute care services at its facilities in Mammoth Lakes, including:

Emergency services	Neurology	Respiratory Therapy
Obstetrics and gynecology	Orthopedics	Physical and Occupational
General surgery	Radiology	Therapy
Urology	Anesthesiology	Social Services
Family medicine	Psychiatry	Community Education
Pediatrics	Behavioral Health	Part-time Plastic Surgery and
Pathology	Laboratory Services	Ear, Nose, Throat

Emergency Response Services

In Mono County, the Mono County EMS system provides emergency medical response to residents or visitors. Mono County EMS administers the Mono County Paramedic Firefighter Program in coordination with fire district first responders and volunteer ambulances. The Southern Mono Healthcare District supplements the County EMS system by providing Basic Life Support inter-facility transfers and medical transport from Mammoth Mountain Ski Area to Mammoth Hospital.

Infrastructure and Facilities

The district owns approximately nine (9) acres in Mammoth Lakes and currently has an option to purchase an additional 2.5 acres adjacent to its north property line. Its Mammoth Campus includes a 60,000 square foot hospital facility, a 20,000 square foot orthopedic and physical therapy facility, a 4,000 square foot administrative building, a 10,000 square foot clinic building, and a 3,000 square foot executive office space.

In Bishop, the district leases 2,400 square feet of medical office space and owns 2,000 square feet of office space where the Bishop Billing Office is located. In Bridgeport, the district leases 2,000 square feet of medical office space.

The district just completed a \$30 million expansion program. Long-term plans include the construction of a new patient wing, a pediatric clinic, and additional parking for 100 cars.

Personnel

The district has approximately 400 employees at all its facilities and several job openings. The district's personnel includes medical staff, nursing staff, technical support staff, administrative staff, financial staff, and support staff.

Administration

The Southern Mono Healthcare District is governed by an elected board of commissioners. The district is managed by a Chief Executive Officer who oversees medical staff, a Chief Operating

Officer, Chief Nursing Officer, Chief Financial Officer and Legal Counsel. Management input is provided during daily operations as well as during long-term strategic planning for the district.

Service Activity

In FY 2006-2007, the district experienced 8,050 emergency visits, 41,306 clinic visits, 1,079 surgeries, and 125 deliveries. The Bridgeport Clinic had 2,028 visits. Fifty-two percent of the total admissions were from Mammoth Lakes, 17 percent were from Bishop, Chalfant, and Wheeler Crest, 10 percent were from elsewhere in Mono County, 4 percent were from Inyo County, and 17 percent were from outside Mono and Inyo counties.

Funding and Budget

Funding for the Southern Mono Healthcare District relies primarily on patient revenues. Additional sources of revenue include property taxes, bonds, investment income, fund development (gifts and donations), and grants. The district has reserves of \$5.6 million and the CEO considers the district's fiscal health to be fair.

Southern Mono Healthcare District -- Municipal Service Review

Table 1: Southern Mono Healthcare District Budget

**Southern Mono Healthcare District
Budget Year 2006/2007**

(000's omitted)

	Budget 2006/2007	Actual 2005/2006	Change	Percent Change
Gross patient revenues:				
Inpatient	\$ 26,840	\$ 22,490	\$ 4,350	19.3%
Outpatient	40,442	33,984	6,458	19.0%
Total	<u>67,282</u>	<u>56,474</u>	<u>10,808</u>	<u>19.1%</u>
Other operating revenues	188	181	7	3.9%
Total gross operating revenues	67,470	56,655	10,815	19.1%
Deductions from revenues	(18,299)	(15,488)	(2,811)	18.1%
Net operating revenues	49,171	41,167	8,004	19.4%
Operating expenses:				
Labor expenses:				
1,603 Salaries & wages	19,231	16,234		
69 Temporary labor	828	661		
391 Employee benefits	4,692	4,527		
2,063 Total labor expenses	<u>24,751</u>	<u>21,422</u>	<u>3,329</u>	<u>15.5%</u>
806 Professional fees	9,674	8,632	1,042	12.1%
414 Supplies	4,971	4,445	526	11.8%
214 Purchased services	2,566	1,713	853	49.8%
71 Utilities (incl. telephone)	848	556	292	52.5%
253 Depreciation expense	3,037	1,321	1,716	129.9%
109 Interest expense	1,310	196	1,114	568.4%
72 Liability insurance	865	670	195	29.1%
49 Rents & operating leases	588	690	(102)	-14.8%
71 Other operating expenses	855	770	85	11.0%
4,122 Total operating expenses	<u>49,465</u>	<u>40,416</u>	<u>9,050</u>	<u>22.4%</u>
Operating surplus (deficit)	(294)	751	(1,046)	-139.3%
Non-operating revenues:				
Property tax revenues (non-bond)				
	1,625	1,477	148	10.0%
Property tax revenues (bond)				
	1,516	1,379	138	10.0%
Investment income				
	345	241	104	43.2%
Fund development				
	600	140	460	328.6%
Investment properties				
	(252)	(237)	(15)	6.3%
320 Total non-operating revenues	<u>3,834</u>	<u>3,000</u>	<u>835</u>	<u>27.8%</u>
Excess of revenues over expenses	<u>\$ 3,540</u>	<u>\$ 3,751</u>	<u>\$ (211)</u>	<u>-5.6%</u>

III. SERVICE REVIEW ANALYSIS AND DETERMINATIONS

Government Code §56430 requires the analysis of nine factors when assessing the capabilities of public service agencies. Each of the required factors is discussed below as it pertains to the Southern Mono Healthcare District.

1. Infrastructure Needs and Deficiencies

Overview

Purpose: To evaluate the infrastructure needs and deficiencies of a district in terms of capacity, condition of facilities, service quality, and levels of service and its relationship to existing and planned service users

Infrastructure needs may include facilities, equipment, vehicles, and supplies. Service also depends on trained personnel. Infrastructure needs and deficiencies are indicated by facilities that do not provide adequate capacity to accommodate current or projected demand for service in the affected area.

Southern Mono Healthcare District--Facilities

The district owns approximately nine (9) acres in Mammoth Lakes and currently has an option to purchase an additional 2.5 acres adjacent to its north property line. Its Mammoth Campus includes a 60,000 square foot hospital facility, a 20,000 square foot orthopedic and physical therapy facility, a 4,000 square foot administrative building, a 10,000 square foot clinic building, and a 3,000 square foot executive office space.

In Bishop, the district leases 2,400 square feet of medical office space and owns 2,000 square feet of office space where the Bishop Billing Office is located. In Bridgeport, the district leases 2,000 square feet of medical office space.

The district just completed a \$30 million expansion program. Long-term plans include the construction of a new patient wing, a pediatric clinic, and additional parking for 100 cars.

Southern Mono Healthcare District--Personnel

The district has approximately 400 employees at all its facilities and several job openings. The district's personnel includes medical staff, technical support staff, administrative staff, financial staff, and support staff.

Determinations

- The district just completed a \$30 million expansion program. Long-term plans include the construction of a new patient wing, a pediatric clinic, and additional parking for 100 cars.
- Additional development in Mammoth Lakes and Mono County will place more pressure on the district to augment its service capacities.

- The district has identified the recruitment and retention of health professionals as a major challenge over the next 20 years, due to national manpower shortages in the healthcare professions and the high cost of living in the Eastern Sierra.

2. Growth and Population Projections for the Affected Area

Overview

Purpose: *To evaluate service needs based on existing and anticipated growth patterns and population projections.*

Existing and Anticipated Growth Patterns in Mammoth Lakes

The Town of Mammoth Lakes, in its General Plan Update, has calculated buildout over the 20-year life of that plan. The General Plan projects that the Town would be fully built out in twenty years. The population projections presented in the General Plan include permanent residents, transient residents, and visitors, as indicated by the term “people at one time” (PAOT). The Town’s General Plan limits the peak population of permanent and seasonal residents and visitors to 52,000 people (Town of Mammoth Lakes, General Plan Update, Land Use Policy L.1.A). The Town’s General Plan notes that:

Determining a reasonable build-out forecast for the 20-year planning period of the General Plan is challenging. Although many different approaches can be used to make projections, any forecast must acknowledge that because of changing demographics, market and economic conditions, numbers will be constantly changing.

The potential buildout population for the General Plan was calculated using a recreational trend forecast, a demographic and economic trend forecast, and a land use capacity analysis. The General Plan concludes that:

The assumptions of the three models support the projection that the total number of residents, visitors and workers on a winter weekend will grow to between 45,000 to 52,000 by the year 2025. Based on these analyses, the General Plan establishes a policy of a total peak population of residents, visitors and employees at 52,000 people. Ultimately, these land use designations could result in a build-out population over 52,000 but less than 60,000 if all land were built to capacity.

Unincorporated Area Within District Boundaries

The SMHD includes unincorporated communities in the Long Valley but excludes residential development in Wheeler Crest and Paradise. Population data from the 2000 US Census and California Department of Finance population estimates show the population in Long Valley was approximately 1,467 in 2000 and 1,497 in 2003.

The Mono County General Plan provides for additional development within the Long Valley communities (see Table 2). In addition to the projected growth, Long Valley’s population experiences significant seasonal increases due to tourism, and to a lesser degree to second homeowners. Long Valley and surrounding areas accommodate large numbers of recreational users and are a vacation destination for outdoor and wilderness activities such as fishing and hiking.

Table 2: Buildout Figures for Long Valley

Land Use Designation	Density	Acres	Maximum Potential Dwelling Units
ER Estate Residential	1 du/acre	349	123 ^a
RR Rural Residential	1 du/acre	143	24 ^{b & d}
SFR Single-Family Residential	5.8 du/acre	339	896 ^c
MFR-M Multiple-Family Residential – Moderate	15 du/acre	4	60
MFR-H Multiple-Family Residential – High	15 du/acre	9	135
MU Mixed Use	15 du/acre	37	555
C Commercial	15 du/acre	39	585
PF Public/Quasi-Public Facilities	---	34	---
AG Agriculture	1 du/2.5 ac.	3	1
SP Specific Plan	---	80	114 ^e
Total Private Lands		1,037	2,493
RM Resource Management – Federal/State	---	10,270	---
OS Open Space – LADWP	1 du/80 acres	8,625	107
Total		19,932	2,600

Notes: du = dwelling unit

- a. 10 acres designated ER 1.5 (1.5-acre min. lot size); 188 acres designated ER 3(3-acre min. lot size); 122 acres designated ER 5 (5-acre min. lot size).
- b. 71 acres designated RR 10 (10-acre min. lot size); 69 acres designated RR 5 (5-acre min. lot size).
- c. 6 acres designated SFR 10,000 (10,000 square feet min. lot size); 179 acres designated SFR 15,000 (15,000 square feet min. lot size); 80 acres designated SFR 0.5 (0.5-acre min. lot size); 50 acres designated SFR 1 (1 acre min. lot size); 24 acres designated SFR 7,500 (7,500 sq. ft. min. lot size).
- d. 58 acres in Long Valley covers an area impacted by avalanches which requires special studies for development. No development plan has been submitted for that area.
- e. 80 acres in Hilton Creek is the Lakeridge Ranch Specific Plan, which permits the development of 114 single-family residences.
- The figures for maximum potential dwelling units and maximum potential population are based on the assumption that the maximum number of housing units allowed under general plan land use designations could be developed. This assumption is somewhat unrealistic, however, since large parcels of private land outside of community areas are in many cases unlikely to be developed in the next 20 years due to environmental constraints, lack of access, lack of infrastructure, and community desires to keep large parcels of agricultural lands as open space.
- Assuming that the maximum potential number of dwelling units would be developed also assumes that commercially designated lots that are currently developed either with lower density residential uses or with commercial uses would be redeveloped with higher density residential uses. It is probably unrealistic to assume that this would occur on all commercially designated lots.
- The anticipated 80 percent buildout figures for dwelling units and population actually assumes an 80 percent buildout in community areas and a 50 percent buildout on private lands outside of community areas. This assumption is also probably high for the reasons stated above.

Anticipated Growth In Mono County

In FY 2006-2007, fifty-two percent of the total admissions to the district's hospital and medical facilities were from Mammoth Lakes, 17 percent were from Bishop, Chalfant, and Wheeler

Crest, 10 percent were from elsewhere in Mono County, 4 percent were from Inyo County, and 17 percent were from outside Mono and Inyo counties.

In 2007, the California State Department of Finance estimated that Mono County's total population was 13,985, with 6,425 persons in the unincorporated area. The Department of Finance estimates that by 2020, the countywide population will be 18,080, and by 2030, the countywide population will be 22,894. These projections include the permanent residents of Mammoth Lakes.

Mono County, like Mammoth Lakes, experiences a significant number of visitors and second homeowners throughout the year, raising the PAOT in the county to a higher figure than the projected permanent population.

Determinations

- The Town of Mammoth Lakes General Plan allows for significant additional growth in the area served by the SMHD.
- Growth is anticipated to occur primarily in and adjacent to existing developed areas and to include a wide spectrum of residential, resort, commercial, and industrial uses.
- The population within the Town of Mammoth Lakes is projected to increase to 52,000 PAOT by 2024, creating an increased demand for medical services. This population projection includes permanent residents, transient residents, and visitors, as indicated by the term "people at one time" (PAOT).
- The Mono County General Plan also allows for significant growth throughout the county, including within the district's boundaries.
- In 2007, the California State Department of Finance estimated that Mono County's total population was 13,985, with 6,425 persons in the unincorporated area. The Department of Finance estimates that by 2020, the countywide population will be 18,080, and by 2030, the countywide population will be 22,894. These projections include the permanent residents of Mammoth Lakes.
- Mono County, like Mammoth Lakes, experiences a significant number of visitors and second homeowners throughout the year, raising the PAOT in the county to a higher figure than the projected permanent population.

3. Financing Constraints and Opportunities

Overview

Purpose: To evaluate factors that affect the financing of needed improvements.

Expenses for special districts generally fall into one of three categories: (1) acquisition of facilities and major capital equipment, (2) employee expenses, and (3) ongoing operations and maintenance costs. The primary criteria that should be considered when evaluating adequacy of potential funding sources is availability, adequacy to meet the need, equity between existing and future residents, stability, and ability to cover on-going operating and maintenance costs.

Southern Mono Healthcare District

Funding for the Southern Mono Healthcare District relies primarily on patient revenues. Additional sources of revenue include property taxes, bonds, investment income, fund development (gifts and donations), and grants. Grant funding is utilized primarily to fund special projects but is too variable to fund ongoing expenses or recurring needs. Investment income and gifts are a very small percentage of the district's revenues and also cannot be relied on to fund ongoing expenses.

The district has financial reserves of \$5.6 million but has several concerns that focus on financial constraints:

- The broad geographic area and low population numbers preclude the development of some services. They are not financially feasible.
- The cost per patient is high due to low volume.
- The dramatic seasonal variation in business due to the summer and winter tourism affects the provision and cost of services.
- The cost of serving the uninsured and underinsured is an ongoing problem.

The district has also identified an opportunity to address the costs of providing service:

- Creating a regional healthcare delivery system, in collaboration with Northern Inyo Hospital District, would reduce duplication of expensive facilities, technology, and staff, lower costs, and make the provision of additional specialty services feasible.

Determinations

- The Southern Mono Healthcare District's future financing will continue to rely on patient revenues.
- Grant funding, bonds, investments, and gifts will continue to be additional sources of revenue for the district.
- The district has ongoing concerns related to financial constraints, i.e.: providing some services is not feasible due to low population numbers, the cost per patient is high due to low volume, and serving the uninsured and underinsured remains a financial liability.
- The district has identified an opportunity to address these concerns by collaborating with Northern Inyo Hospital District to form a regional healthcare system for the Eastern Sierra.

4. Cost Avoidance Opportunities

Overview

Purpose: To identify practices or opportunities that may aid in eliminating unnecessary costs.

Cost avoidance opportunities are defined as actions to eliminate unnecessary costs derived from, but not limited to, duplication of service efforts, higher than necessary administration/operation cost ratios, use of outdated or deteriorating infrastructure and equipment, underutilized

equipment or buildings or facilities, overlapping/inefficient service boundaries, inefficient purchasing or budgeting practices, and lack of economies of scale.

Southern Mono Healthcare District

The district is the only healthcare provider in Mono County, other than the Mono County Department of Public Health, which provides only limited services to specific populations. As noted elsewhere in this document, SMHD provides a wide array of medical services and acute care services at its facilities in Mammoth Lakes, Bridgeport, and Bishop. A significant percentage of admissions are from outside the district boundaries, including in FY 2006-2007, 17 percent from Bishop, Chalfant, and Wheeler Crest and an additional 4 percent from elsewhere in Inyo County.

Healthcare services are available in Bishop. Northern Inyo Hospital District in Inyo County has facilities in Bishop; the district boundaries extend south from the Mono/Inyo County line to just south of Aberdeen. The southern portion of Inyo County is within the Southern Inyo Hospital District, which operates facilities in Lone Pine. The Northern Inyo Hospital District operates a Critical Access Hospital with 25 beds in Bishop and provides a wide array of services. In addition, the district operates an urgent care facility in Bishop, the Rural Health Clinic.

The district has identified an opportunity to reduce the duplication of services by collaborating with Northern Inyo Health District to form a regional healthcare system for the Eastern Sierra.

Determinations

- The district is the only healthcare provider in Mono County, other than the Mono County Department of Public Health, which provides only limited services to specific populations.
- A significant percentage of admissions are from outside the district boundaries, including in FY 2006-2007, 17 percent from Bishop, Chalfant, and Wheeler Crest and an additional 4 percent from elsewhere in Inyo County.
- The Northern Inyo Hospital District operates a Critical Access Hospital with 25 beds in Bishop and provides a wide array of services. In addition, the district operates an urgent care facility in Bishop, the Rural Health Clinic.
- The district has identified an opportunity to reduce the duplication of services by collaborating with Northern Inyo Health District to form a regional healthcare system for the Eastern Sierra.

5. Opportunities for Rate Restructuring

Overview

Purpose: *To identify opportunities to positively impact rates without decreasing service levels.*

As noted in the Financing Constraints and Opportunities Section, funding for the Southern Mono Healthcare District relies primarily on patient revenues. Additional sources of revenue include property taxes, bonds, investment income, fund development (gifts and donations), and grants. Each of these categories has inherent constraints that prevent an agency from restructuring them.

Patient Revenues – Revenue obtained from fees for services provided are determined by a wide variety of factors within the healthcare industry, including insurance and Medicare/Medicaid reimbursements. These revenues are not easily restructured.

Property taxes – In California, the maximum property tax assessed on any land is generally 1% of the property's value. The Southern Mono Healthcare District boundaries include some of the most valuable land in the county, and some of the areas with the highest level of development. However, the district does not have the ability to increase its property tax revenues in any manner.

Grants – Grant money is a one-time source that is useful in funding certain special projects but may be too unreliable or variable for ongoing expenses or recurring needs. As noted in Section 3, Financing Constraints and Opportunities, the Southern Mono Healthcare District applies for and receives grant funding on an ongoing basis. The district applies for various federal, state, and private foundation grants that are used to support new programs, address equipment needs, provide service to low-income populations, and for similar needs.

Bonds, Investment Income, Gifts/Donations – These categories are a very small percentage of the district's revenues and cannot be relied on to fund ongoing expenses.

Determinations

- All funding mechanisms have inherent limitations that may prevent their implementation, use or restructure.
- The Southern Mono Healthcare District's main sources of revenue are patient revenues and property taxes, neither of which is easily restructured.
- The Southern Mono Healthcare District applies for and receives grant funding on an ongoing basis.

6. Opportunities for Shared Facilities and Resources

Overview

Purpose: *To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.*

Sharing facilities and resources can result in a more efficient and cost-effective delivery of resources.

Southern Mono Healthcare District

Southern Mono Healthcare District has facilities in Mammoth Lakes and Bridgeport in Mono County, and in Bishop in Inyo County. The district serves a resident population from throughout the Eastern Sierra, as well as a large visitor population. Similarly, Northern Inyo Hospital District, which has facilities in Inyo County, serves a resident population from throughout the Eastern Sierra. There is some duplication of services between the two districts, as well as duplication of administrative functions.

Southern Mono Healthcare District -- Municipal Service Review

Southern Mono Hospital District provides a variety of services at its hospital and clinic facilities located in Mammoth Lakes. The district also provides services outside of its designated service area, at the Bridgeport Family Medicine Clinic and at the Bishop Orthopedic and Neurology Clinic. Northern Inyo Hospital District provides a variety of services at its hospital and clinic facilities in Bishop.

Currently, the boundaries of the Southern Mono Healthcare District encompass Mammoth Lakes and the Long Valley communities. Outside of these community areas, there are no healthcare facilities in other areas of Mono County, aside from the family practice clinic in Bridgeport operated by the district. The boundaries of the Northern Inyo Hospital District encompass Bishop and communities south along US 395 to just south of Aberdeen.

The Southern Mono Healthcare District has noted that there are constraints to providing efficient, comprehensive service in the long-term, i.e.:

- The district serves a large geographic area with a relatively low population base. This precludes the development of some services because they are not financially feasible.
- Costs per patient are high due to the low volume of patients.
- The dramatic seasonal variation in business due to the summer and winter tourism affects the provision and cost of services.
- Over the next 20 years, the district anticipates a major challenge in the recruitment and retention of staff due to national shortages of healthcare professionals and the high cost of living in a resort area.
- The increasing costs of technology, facilities, and staff will remain an issue, as will the service challenges of the uninsured or underinsured.

The district has identified an opportunity to reduce the duplication of services by collaborating with Northern Inyo Health District to form a regional healthcare system for the Eastern Sierra.

The district sees the following challenge for the region as a whole:

- The need to develop an effective regional approach to healthcare delivery for the Eastern Sierra, rather than the current provincial approach. Creating a regional healthcare delivery system would reduce duplication of expensive facilities, technology, and staff, lower costs, and make the provision of additional specialty services feasible.

Determinations

- Currently, Southern Mono Healthcare District and Northern Inyo Hospital District both provide a variety of medical services to residents and visitors in the Eastern Sierra.
- The Southern Mono Healthcare District believes there is a need to develop an effective regional approach to healthcare delivery for the Eastern Sierra, in order to reduce duplication of expensive facilities, technology, and staff, lower costs, and make the provision of additional specialty services feasible.
- The district has identified an opportunity to reduce the duplication of services by collaborating with Northern Inyo Health District to form a regional healthcare system for the Eastern Sierra.

7. Government Structure Options

Overview

Purpose: *To consider the advantages and disadvantages of various government structures to provide service.*

Government Code §56001 declares that it is the policy of the State to encourage orderly growth and development essential to the social, fiscal, and economic well being of the State. The Code further states that “this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services.”

For local agency consolidations to occur there has to be significant (and popularly desired) cost savings or an increase in service.

Southern Mono Healthcare District

The Eastern Sierra, encompassing much of Mono and Inyo counties, is a discrete geographic area, separate from the remainder of the state. Small, residential communities are located throughout the area with one large community in each county. Topography within the counties, particularly in Mono County, tends to separate communities.

Healthcare throughout the region is provided by hospital and healthcare districts, as discussed under Factor 6 above. One government structure option is to retain the existing special districts, with the Southern Mono Healthcare District nominally serving the population in Southern Mono County and the Northern Inyo Hospital District nominally serving the population in Northern Inyo County. However, in reality, the district’s service areas overlap, with each district serving clients from both Inyo and Mono counties, as well as from outside the area.

Other options include having healthcare services provided by a broader government agency, such as the Town of Mammoth Lakes or Mono County, or creating a regional healthcare agency. As discussed in Factor 6 above, healthcare, due to the costs associated with facilities, equipment, and personnel, is most efficiently provided at a larger scale. It is also a specialized service, which may be provided most efficiently by a specialized healthcare provider, not as part the provision of a wide array of government services.

As discussed in Factor 6 above, the Southern Mono Healthcare District has noted that there are constraints to providing efficient, comprehensive service in the long-term that could be overcome by working with Northern Inyo Hospital District to provide a regional approach to healthcare in the Eastern Sierra.

Determinations

- Currently, Southern Mono Healthcare District and Northern Inyo Hospital District both provide a variety of medical services to residents and visitors in the Eastern Sierra.
- The Southern Mono Healthcare District believes there is a need to develop an effective regional approach to healthcare delivery for the Eastern Sierra, in order to reduce

duplication of expensive facilities, technology, and staff, lower costs, and make the provision of additional specialty services feasible.

- The district has identified an opportunity to reduce the duplication of services by collaborating with Northern Inyo Health District to form a regional healthcare system for the Eastern Sierra.

8. Evaluation of Management Efficiencies

Overview

Purpose: To evaluate the quality of public services in comparison to cost.

As defined by OPR, the term “management efficiency,” refers to the organized provision of the highest quality public services with the lowest necessary expenditure of public funds. An efficiently managed entity (1) promotes and demonstrates implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel and customer service and involvement, (2) has the ability to provide service over the short and long-term, (3) has the resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service, (4) meets or exceeds environmental and industry service standards, as feasible considering local conditions or circumstances, (5) and maintains adequate contingency reserves. “Management Efficiency” is generally seen as organizational efficiency including the potential for consolidation.

The purpose of management is to effectively carry out the principal function and purpose of an agency. Good management will ensure that the agency’s mission is accomplished and that the agency’s efforts are sustainable into the future. Unfortunately, “good management” is a relatively subjective issue, and one that is hard to quantify.

Southern Mono Healthcare District

The Southern Mono Healthcare District is governed by an elected board of commissioners. The district is managed by a Chief Executive Officer who oversees medical staff, a Chief Operating Officer, Chief Nursing Officer, Chief Financial Officer and Legal Counsel. Management input is provided during daily operations as well as during long-term strategic planning for the district.

The district has long-term planning documents including a Vision Statement, a Mission Statement, a Values Statement, Strategic Planning Goals and a 10-year plan to forecast future service demand. The 10-year plan was completed in 2000 and was tied to the development allowed by the Town’s General Plan. The district plans to complete an update of their service demand projections this year.

The district has noted that there are constraints to providing efficient, comprehensive service in the long-term, i.e.:

- The district serves a large geographic area with a relatively low population base. This precludes the development of some services because they are not financially feasible.
- Costs per patient are high due to the low volume of patients.

- The dramatic seasonal variation in business due to the summer and winter tourism affects the provision and cost of services.
- Over the next 20 years, the district anticipates a major challenge in the recruitment and retention of staff due to national shortages of healthcare professionals and the high cost of living in a resort area.
- The increasing costs of technology, facilities, and staff will remain an issue, as will the service challenges of the uninsured or underinsured.

To overcome these constraints, the district has identified an opportunity to reduce the duplication of services by collaborating with Northern Inyo Health District to form a regional healthcare system for the Eastern Sierra.

The district sees the following challenge for the region as a whole:

- The need to develop an effective regional approach to healthcare delivery for the Eastern Sierra, rather than the current provincial approach. Creating a regional healthcare delivery system would reduce duplication of expensive facilities, technology, and staff, lower costs, and make the provision of additional specialty services feasible.

Determinations

- The Southern Mono Healthcare District is governed by an elected board of commissioners.
- The district is managed by a management team that includes a Chief Executive Officer, Medical Staff, a Chief Operating Officer, Chief Nursing Officer, Chief Financial Officer and Legal Counsel.
- Management input is provided during daily operations as well as during long-term strategic planning for the district.
- The district has comprehensive long-term planning documents.
- The district intends to update its 10-year plan, including service demand projections, this year. Since the district serves a population outside of the Town boundaries, the update of the 10-year plan should address future development in the unincorporated area of the county as well as in the Town.
- The district believes that additional efficiency in the delivery of healthcare to the Eastern Sierra could be achieved by merging with the Northern Inyo Hospital District.

9. Local Accountability and Governance

Overview

Purpose: To evaluate the accessibility and levels of public participation associated with an agency's decision-making and management processes.

Special districts are required to adopt budgets at open public meetings and to file their budgets with the county auditor. They are required to have annual or biennial independent audits. Districts are subject to the Ralph M. Brown Act for meetings, agendas and minutes. They are also subject to the Public Records Act.

Complying with the minimum open meeting and information requirements is not sufficient to allow an adequate amount of visibility and accountability. Outreach efforts, including convenient meeting times, additional notice of meetings and dissemination of district information, are desirable.

Southern Mono Healthcare District

The Southern Mono Healthcare District complies with the minimum open meetings and public information requirements. The board of commissioners meets monthly. Special meetings are held as needed. Meeting notices are posted in the hospital lobby. Meeting minutes are posted on the hospital intranet. Community members are included in the district's long-term strategic planning process.

The district disseminates information to the community and its clients through a quarterly community newsletter, through its website, and through an in-house monthly newsletter. The district also provides a variety of community education programs, e.g. childbirth classes, CPR classes, and various other health classes. District staff members are rewarded financially for their community volunteer efforts.

Staffing for the district includes a Director of Community Relations who is responsible for public relations, volunteer services, and customer services. In order to provide better service to the region's Hispanic residents, the district provides interpreter services and Hispanic outreach programs.

Determinations

- The Southern Mono Healthcare District complies with the minimum requirements for open meetings and public records.
- The district provides outreach to the community in a variety of ways in order to increase public awareness of its services and facilities.
- The district provides interpreter services and Hispanic outreach programs to serve the Hispanic population in the area.

IV. SPHERE OF INFLUENCE RECOMMENDATION

In determining the sphere of influence for each local agency, Government Code §56425 requires the Local Agency Formation Commission to consider and prepare a written statement of its determination with respect to four required findings. Each of the required findings is discussed below as it pertains to the Southern Mono Healthcare District, Community Service District.

1. Present and Planned Land Uses

Discussion:

Town of Mammoth Lakes

The Town of Mammoth Lakes General Plan provides for additional development within the Urban Growth Boundary established for the incorporated area (see Figure 2). The additional development allowed by the General Plan would be a mix of resort uses, commercial uses, public uses, multiple-family residential uses, and single-family residential uses. The residential uses would be a mix of fulltime residential uses and seasonal residential uses.

The Town's General Plan calculates the Town's population as PAOT (people at one time), a figure that includes permanent residents as well as transient residents and visitors. The Town of Mammoth Lakes forecasts that the PAOT at buildout in 2024 could reach approximately 52,000 persons. Currently, the PAOT is approximately 34,265 persons.

Unincorporated Area Within District Boundaries

The SMHD includes unincorporated communities in the Long Valley but excludes residential development in Wheeler Crest and Paradise. Present land uses in the area served by the Long Valley Southern Mono Health Care District include residential, commercial, and public uses in the communities located in the southern portion of the district and larger commercial and industrial uses located primarily in the northern portion of the district. Population data from the 2000 US Census and California Department of Finance population estimates show the population in Long Valley was approximately 1,467 in 2000 and 1,497 in 2003. In 2000, there were 440 households in Long Valley.

The Mono County General Plan provides for additional development within the Long Valley communities (see Table 2). In addition to the projected growth, Long Valley's population experiences significant seasonal increases due to tourism, and to a lesser degree to second homeowners. Long Valley and surrounding areas accommodate large numbers of recreational users and are a vacation destination for outdoor and wilderness activities such as fishing and hiking.

Southern Mono Healthcare District -- Municipal Service Review

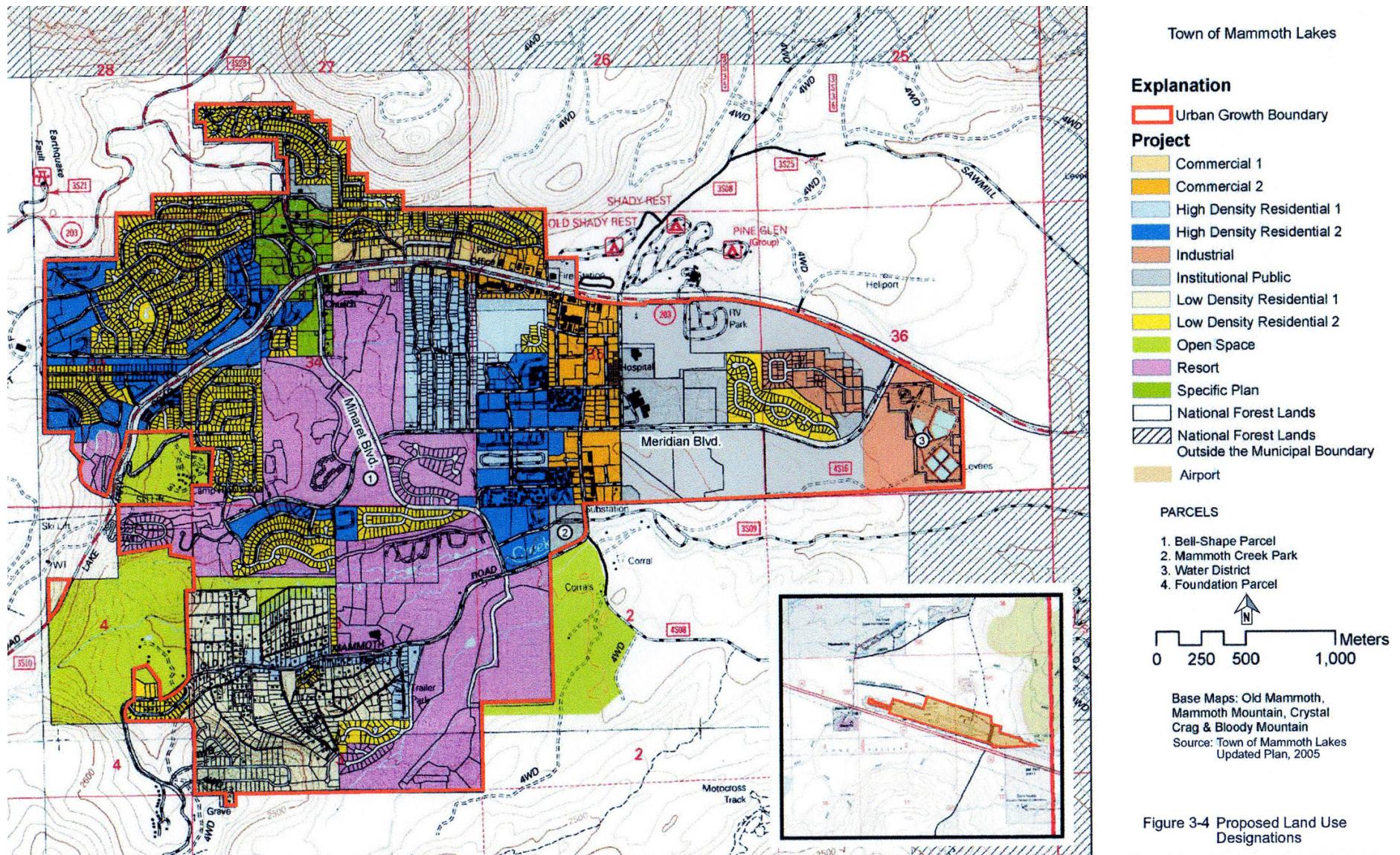


Figure 2 – Town of Mammoth Lakes Proposed Land Use

Table 2: Buildout Figures for Long Valley

Land Use Designation	Density	Acres	Maximum Potential Dwelling Units
ER Estate Residential	1 du/acre	349	123 ^a
RR Rural Residential	1 du/acre	143	24 ^{b & d}
SFR Single-Family Residential	5.8 du/acre	339	896 ^c
MFR-M Multiple-Family Residential – Moderate	15 du/acre	4	60
MFR-H Multiple-Family Residential – High	15 du/acre	9	135
MU Mixed Use	15 du/acre	37	555
C Commercial	15 du/acre	39	585
PF Public/Quasi-Public Facilities	---	34	---
AG Agriculture	1 du/2.5 ac.	3	1
SP Specific Plan	---	80	114 ^e
Total Private Lands		1,037	2,493
RM Resource Management – Federal/State	---	10,270	---
OS Open Space – LADWP	1 du/80 acres	8,625	107
Total		19,932	2,600

Notes: du = dwelling unit

- a. 10 acres designated ER 1.5 (1.5-acre min. lot size); 188 acres designated ER 3(3-acre min. lot size); 122 acres designated ER 5 (5-acre min. lot size).
- b. 71 acres designated RR 10 (10-acre min. lot size); 69 acres designated RR 5 (5-acre min. lot size).
- c. 6 acres designated SFR 10,000 (10,000 square feet min. lot size); 179 acres designated SFR 15,000 (15,000 square feet min. lot size); 80 acres designated SFR 0.5 (0.5-acre min. lot size); 50 acres designated SFR 1 (1 acre min. lot size); 24 acres designated SFR 7,500 (7,500 sq. ft. min. lot size).
- d. 58 acres in Long Valley covers an area impacted by avalanches which requires special studies for development. No development plan has been submitted for that area.
- e. 80 acres in Hilton Creek is the Lakeridge Ranch Specific Plan, which permits the development of 114 single-family residences.

Unincorporated Area--Mono County

The remainder of Mono County, while currently outside the district's boundaries, also contributes to the district's patient load. In FY 2006-2007, fifty-two percent of the district's total admissions were from Mammoth Lakes, 17 percent were from Bishop, Chalfant, and Wheeler Crest, 10 percent were from elsewhere in Mono County, 4 percent were from Inyo County, and 17 percent were from outside Mono and Inyo counties. Figure 3 shows projected buildout for all communities within Mono County.

Most communities in Mono County are predominantly single-family residential uses, with limited multi-family residential uses, and small commercial and industrial facilities. Those uses are not expected to change.

Table 3: Buildout By Planning Area—Mono County

Planning Area	Maximum Potential Dwelling Units	%Of County Wide Total
	Proposed	%
Antelope Valley	5,194	18.6
Swauger Creek/Devil's Gate	9	0
Bridgeport Valley	3,531	12.6
Bodie Hills	402	1.4
Mono Basin North	1,111	4.0
Mono Basin South	490	1.8
June Lake	3,970	14.2
Mammoth Vicinity	400	1.4
Long Valley	2,600	9.3
Wheeler Crest	645	2.3
Chalfant Valley	661	2.4
Hammil Valley	304	1.1
Benton Valley	3,874	13.9
Outside Planning Areas	4,756	17.0
Countywide Total	27,947	

Finding:

Present land uses within the district and Town boundaries include resort uses, commercial uses, public uses, multiple-family residential uses, and single-family residential uses. The residential uses are a mix of fulltime residential uses and seasonal residential uses. Planned land uses within the Town's Urban Growth Boundary are similar with future development occurring within and adjacent to existing development. The Town's population at buildout is forecast to increase to 52,000 PAOT (people at one time), a fifty-two percent increase over the current PAOT of 34,265 persons.

Present land uses in the area served by the Southern Mono Health Care District includes residential, commercial, and public uses in the communities in the southern portion of the district and commercial and industrial uses in the northern portion of the district. The planned land uses for community areas are similar with future development concentrated primarily within and adjacent to existing development.

Areas outside of the district's boundaries also contribute to the district's patient load. Most communities in Mono County are predominantly single-family residential uses, with limited multi-family residential uses, and small commercial and industrial facilities. Those uses are not expected to change.

2. Present and Probable Need For Public Facilities and Services

Discussion:

Increased development throughout the district's service area has created an increased need for healthcare services now. The buildup allowed by the Town's General Plan and the County's General Plan will create a greater demand for those services in the future.

Finding:

The SMHD area has an existing and continuing need for public facilities and services to serve the increasing development in the area.

3. Present Capacity of Public Facilities and Adequacy of Public Services

Discussion:

The district owns approximately nine (9) acres in Mammoth Lakes and currently has an option to purchase an additional 2.5 acres adjacent to its north property line. Its Mammoth Campus includes a 60,000 square foot hospital facility, a 20,000 square foot orthopedic and physical therapy facility, a 4,000 square foot administrative building, a 10,000 square foot clinic building, and a 3,000 square foot executive office space.

In Bishop, the district leases 2,400 square feet of medical office space and owns 2,000 square feet of office space where the Bishop Billing Office is located. In Bridgeport, the district leases 2,000 square feet of medical office space.

The district just completed a \$30 million expansion program. Long-term plans include the construction of a new patient wing, a pediatric clinic, and additional parking for 100 cars. The district has identified the recruitment and retention of health professionals as a major challenge over the next 20 years, due to national manpower shortages in the healthcare professions and the high cost of living in the Eastern Sierra.

Finding:

The district currently provides an adequate level of service but has identified a need to improve both its facilities and services in order to serve additional development.

4. Social or Economic Communities of Interest

Discussion:

The district's facilities are located in the Town of Mammoth Lakes, the largest community in Mono County. Mammoth functions as a social and economic center for much of the southern portion of Mono County. The district currently has facilities and provides services outside of its boundaries and existing sphere of influence, in Bridgeport and in Bishop. As a result, the district has social and economic ties to areas outside of its boundaries, including portions of Mono County from Bridgeport south to the Inyo County line, and areas in the northern portion of Inyo County.

Finding:

The district has social and economic ties to areas outside of its boundaries, including portions of Mono County from Bridgeport south to the Inyo County line, and areas in the northern portion of Inyo County. Social and economic ties to areas in Inyo County have no relevance in determining the sphere of influence for the district since special districts cannot provide services outside of their county.

Sphere of Influence Recommendation

The existing Sphere of Influence for the Southern Mono Healthcare District is coterminous with the boundaries of the district. Since the district operates a clinic in Bridgeport and serves clients from throughout Mono County, as well as from Inyo County, the Sphere of Influence for the Southern Mono Healthcare District shall be from the Bridgeport Valley south to the Inyo County line (see Figure 3). The Sphere of Influence should include those areas in Wheeler Crest and Paradise that are currently excluded from the boundaries of the district.

The existing sphere report for the SMHD, adopted in October 1990, established a Planning Concern Area (PCA) for the district that included June Lake, Lee Vining, and Mono City. The Planning Concern Area is superseded by the expansion of the Sphere of Influence boundaries.

Reorganization Recommendation

In order to provide more efficient, comprehensive healthcare services to the Eastern Sierra, and to eliminate existing overlap in service provision, Lafco should work with Southern Mono Healthcare District, Northern Inyo Hospital District, and any other affected agencies, to provide a regional healthcare system for the Eastern Sierra. Existing districts should reorganize to create a single administrative entity for healthcare in the area. Reorganization should occur only when all affected agencies agree to a regional healthcare district.

Southern Mono Healthcare District -- Municipal Service Review

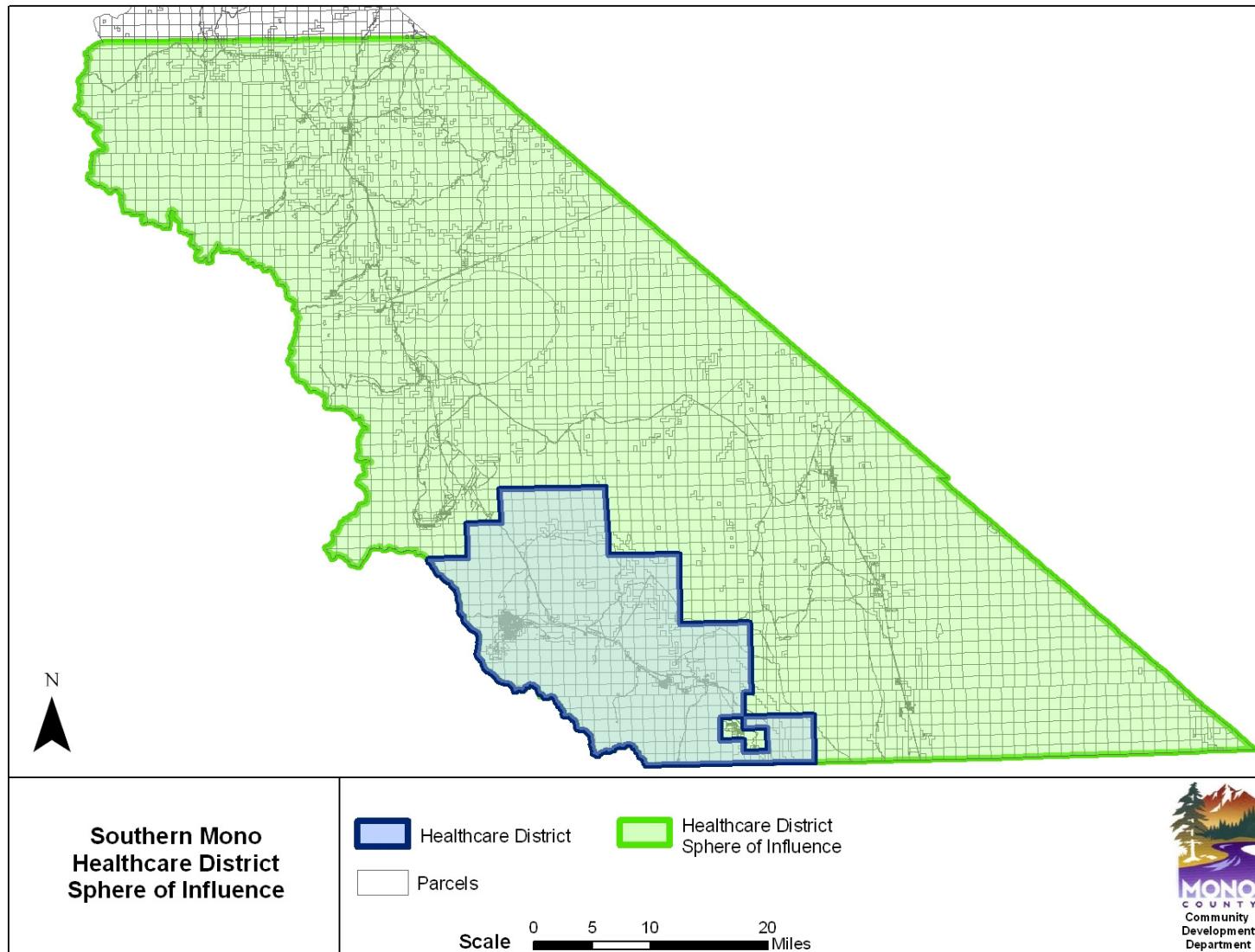


Figure 3 – Southern Mono Healthcare District Sphere of Influence

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Persons Consulted

Southern Mono Healthcare District:
Gary Myers, Chief Executive Officer
Gary Boyd, Chief Executive Officer