

# Improving Bay Area Water Supply Reliability – A Regional Approach

## PURPOSE

The Bay Area's largest water agencies are working together to develop a regional solution to improve the water supply reliability for over 6 million area residents and the thousands of businesses and industries located therein. The Contra Costa Water District, the East Bay Municipal Utility District, Marin Municipal Water District, the San Francisco Public Utilities Commission (with the Bay Area Water Supply and Conservation Agency), the Santa Clara Valley Water District, Zone 7 Water Agency, and the Alameda County Water District have joined forces to leverage existing facilities and, if needed, build new ones to bolster regional water supply reliability.

## REGIONAL BENEFITS

The benefits of a regional approach include:

- Enhancing water supply reliability
- Bolstering emergency preparedness
- Addressing climate resiliency needs
- Leveraging existing infrastructure investments
- Facilitating the transfer of water supplies during critical periods of drought or following natural disasters

## DESCRIPTION

Each of the Bay Area water agencies have recently completed several multi-million infrastructure projects that, when pooled together as shared resources in times of need, may significantly enhance the regional water supply reliability. These projects include, but are not limited to:

- \$920M 185 MGD Freeport Intake by EBMUD to deliver water from the Sacramento River to the Bay Area
- \$110M Los Vaqueros expansion project by CCWD providing local storage of 160 TAF
- \$100M Middle River Intake project by CCWD to deliver water from the Victoria Canal in the Central Delta
- \$20M 30 MGD Hayward Intertie that connects the service area of EBMUD and SFPUC
- \$120M investment in Semitropic Groundwater Bank in Kern County providing 565 TAF of storage for SCVWD, Zone 7 and ACWD
- \$3M Intertie in Brentwood that connects CCWD to EBMUD
- \$11M investment in Cawelo Groundwater Bank in Kern County providing 120 TAF of additional storage for Zone 7
- \$23M in Chain of Lakes area to enhance recharge and use of local groundwater storage for Zone 7
- \$35M investment in groundwater demineralization to help manage salt in the Livermore Valley Groundwater Basin and facilitate use of recycled water in the Zone 7 service area
- \$70M Silicon Valley Advanced Water Purification Center to provide 8 MGD of SCVWD drought-proof supply
- \$11M 35 MGD intertie that connects SFPUC to SCVWD

### Potential New Investments:

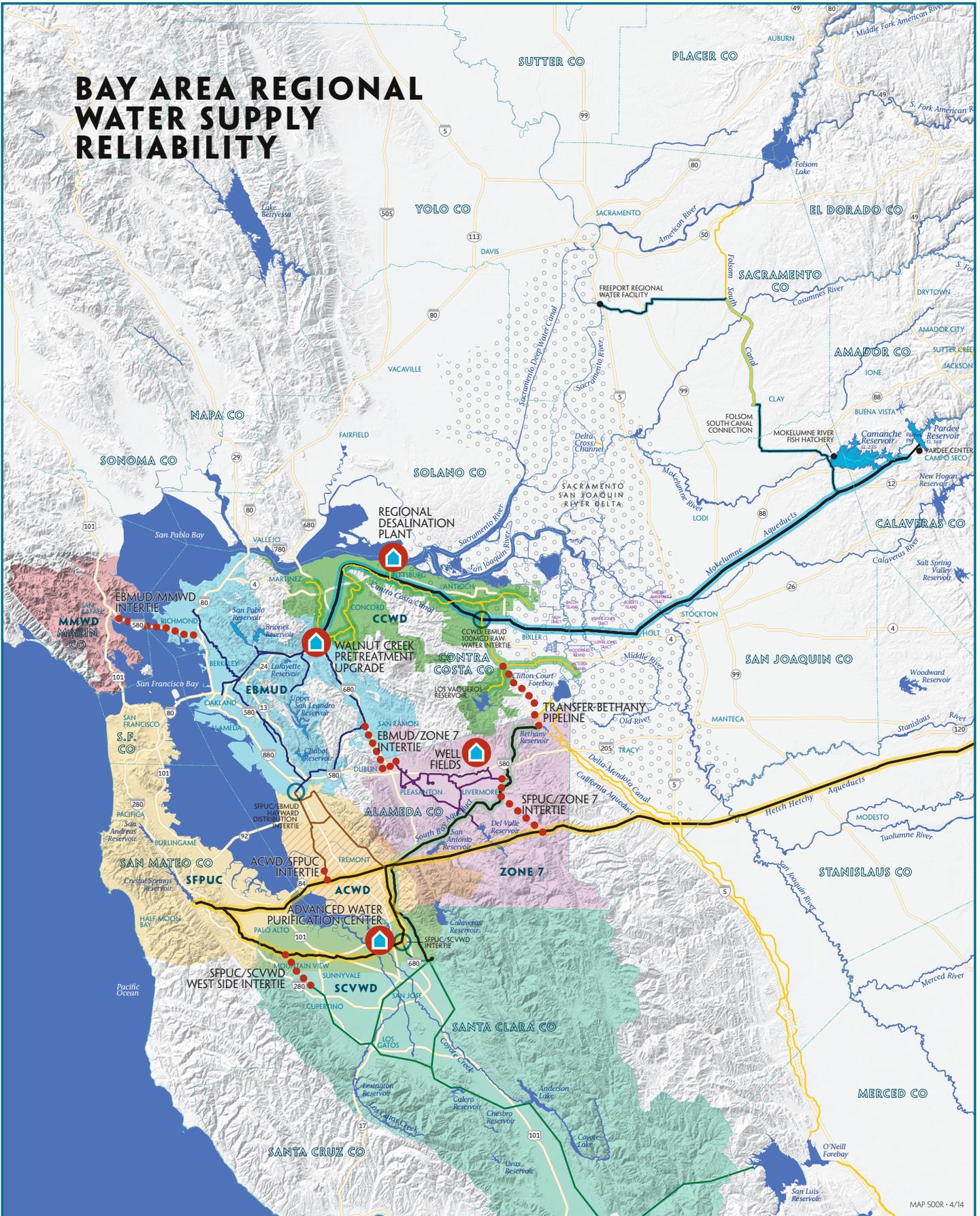
- ACWD-SFPUC Intertie connecting ACWD's Newark Desalination Facility with SFPUC's Bay Division Pipeline to provide emergency supplies and water transfer opportunities
- EBMUD-Zone 7 intertie (\$25M, EBMUD & Zone 7) that would connect EBMUD's water delivery system to Zone 7's, providing potential water sharing and transfer opportunities
- Pre-treatment facility at the Walnut Creek Water Treatment Plant (\$100M, EBMUD) that would allow EBMUD to treat water from the Sacramento River, Los Vaqueros Reservoir, and other sources, enabling EBMUD to deliver supplies to neighboring water agencies
- West Side SFPUC/SCVWD Intertie that would provide a second connection between SFPUC and SCVWD water delivery systems and enable use of additional local/imported sources for water exchanges and transfers
- SFPUC-Zone 7 Intertie enabling the exchange of surface water, groundwater, or recycled water supplies
- Transfer-Bethany pipeline (\$200M, CCWD and regional partners) that would connect the Los Vaqueros Reservoir and CCWD's and EBMUD's intakes to the Bethany Reservoir enabling the conveyance of water to the southbay aqueduct
- Regional Desalination Plant (\$175M) to supply water to CCWD, EBMUD, SCVWD, SFPUC and Zone 7
- Expansion of the Silicon Valley Advanced Water Purification Center and additional development of SCVWD potable reuse system for regional drought-proof supply
- Construction of several new well fields in the Livermore Valley Groundwater Basin to increase total production capacity to 34 TAF in one year or 108 TAF over a six year period for Zone 7, while also increase exchange opportunities with other agencies
- EBMUD-MMWD intertie (\$45M, EBMUD & MMWD) that would connect EBMUD's water delivery system to MMWD's providing potential water sharing and transfer opportunities

## COSTS

A Feasibility Study could be performed using a portion of the \$4M authorized for regional desalination.



# BAY AREA REGIONAL WATER SUPPLY RELIABILITY



EXISTING MAJOR INTERTIES



POTENTIAL NEW CONNECTIONS



SAN BENITO CO

POTENTIAL FACILITIES



# Districts In The News

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## Recycled Water Fill Station Keeps Bay Area Residential Landscapes Green

January 14th, 2015



On June 12, 2014, [Dublin San Ramon Services District \(DSRSD\)](#) opened the Residential Recycled Water Fill Station for Bay Area residents to come and get recycled water to irrigate their yards. “We wanted to help our customers and neighboring communities survive the 2014 drought,” says Operations Manager Dan Gallagher. “And to be honest, I thought only a handful of folks would take us up on our offer. Hauling water is hard work.”

Much to staff’s surprise, demand was so great, averaging 100 to 150 visitors a day during the hot summer months, they expanded the three hose bibs initially installed to five “back-in” hose bibs and three “drive-through” hose bibs. They also had to expand hours of operation to seven days a week.



By October 31, more than 2.25 million gallons of recycled water had been hauled away in everything from one-gallon jugs to 300-gallon carboys

anchored on flatbed trailers. Five-gallon pails and fifty-five gallon drums secured in pick-up trucks seem to be very popular means of transporting the recycled water.

DSRSD's program is free to any Californian, not just DSRSD customers, and close to 500 individuals have been permitted and trained to use recycled water on their home landscapes. Only 26 percent (125 people) of these residential recycled water users are actually district customers; 67 percent are from the City of Pleasanton, and the remaining seven percent come from as far north as El Sobrante (32 miles), as far south as Santa Clara (30 miles), as far west as San Leandro (15 miles), and as far east as Sunol (13 miles).

It took two months for DSRSD staff to receive regulatory approval, first from the Department of Public Health and then from the Regional Water Quality Control Board. Within eight days of receiving final approval, DSRSD opened the Residential Recycled Water Fill Station for business.

About three weeks later, the [City of Livermore](#) opened their recycled water fill station and four months later, [Central Contra Costa Sanitation District \(CCCSD\)](#) opened their recycled water fill station. "I can't tell you how helpful your staff has been in getting our program approved," said Assistant Engineer Melody LaBella at CCCSD, "DSRSD's leadership in recycled water is sure appreciated."

"The recycled water we make via sand filtration is ideal for irrigation," says Clean Waters Program Specialist Stefanie Olson, "because it contains nitrogen which is found in fertilizer." Olson is responsible for managing the program and gladly shares the regulatory approved [documentation](#) with agencies interested in opening their own recycled water fill station.

An unexpected benefit of the Fill Station has been the sense of community it has created. Frequent users are getting to know one another and advise one another on containers, pumps and level indicators. "I've lived in Dublin for 17 years and I haven't experienced 'community' until I joined the recycled water program," says Mary Bertelson.

Early on, a few users requested a Facebook page, so [DSRSD staff created one](#) for them and they use it to share ideas about where to get containers, how to measure the water level as they're filling a container they can't see through, and how to get the water out of the 55-gallon drum in the back of a pick-up and onto the landscape.



## **How It Works**

Before coming to the fill station the first time, folks are encouraged to [download the Use Agreement](#) from DSRSD's website, read it and sign it. The three-page agreement explains suitable uses for recycled water: to irrigate trees, gardens, vegetables, and lawns; and, wash outdoor furniture, pathways, walls, and windows. The agreement explains that recycled water is not suitable for drinking, cooking, bathing, filling swimming pools or spas, children's water toys, and it cannot be connected to the household domestic plumbing system.

When first-time users arrive at the fill station, they are trained in the proper procedures for handling recycled water. They sign the Use Agreement, and receive a wallet card that shows they've been trained. Fill station users are given purple stickers for their containers, making it obvious the water in the container is not drinkable, but is intended for irrigation or cleaning purposes. Then the users can fill up their containers and haul the water home. On subsequent visits, fill station customers simply show their wallet card, sign in, note the amount of water they are taking, and fill up. Fill station customers are welcome to come as often as they want on any given day, taking up to 300 gallons per load.

## **History of Recycled Water at DSRSD**

The district has been making recycled water, via microfiltration and ultraviolet disinfection, for irrigation and construction since 1999. In 2006, DSRSD partnered with East Bay Municipal Utility District (EBMUD), to expand treatment facilities and began producing recycled water via sand filtration and ultraviolet disinfection. DSRSD uses more than 61 miles of purple pipe to deliver the recycled water to 347 locations and 10 purple hydrants. Since 2006, the partnership has produced more than seven billion gallons of recycled water.

In 2007, the district began permitting commercial truckers to fill their tanks with recycled water at our commercial fill station. This year alone, 32 commercial haulers have already delivered 15.5 million gallons of recycled water for irrigation, construction grading and dust control.

In 2014, 23 percent of DSRSD's total water sales were recycled water. During the hot, dry summer months, the district was recycling about half of the wastewater coming into the plant. Recycling 100 percent of the wastewater year-round is a long-term goal for DSRSD.

- See more at: <http://www.csda.net/districts-in-the-news/recycled-water-fill-station-keeps-bay-area-residential-landscapes-green/#sthash.4XL82e22.dpuf>

# Doctors Medical Center closure to ambulance traffic packs other East Bay hospitals

By Robert Rogers rrogers@bayareanewsgroup.com

Posted: 01/15/2015 05:00:00 PM PST Updated: about 5 hours ago



Ambulances are photographed in the holding bay of the emergency department of Kaiser Permanente Richmond Medical Center in Richmond, Calif., on Tuesday, Jan. 13, 2015. Data released by Contra Costa County Emergency Medical Services showed that ambulance traffic diversion from Doctors Medical Center has increased wait times at facilities like Kaiser Richmond. (Dan Honda/Bay Area News Group) ( Dan Honda )

SAN PABLO -- Diversion of ambulances from cash-strapped Doctors Medical Center has packed other local hospitals with new patient traffic and lengthened wait times for those who need emergency medical care, according to data released by Contra Costa County Emergency Medical Services.

The data, which compare August to December 2013 with the same period a year earlier, bears out county projections about how diversion of ambulance traffic from DMC would affect patients. DMC's administration and governing board decided to stop accepting ambulance traffic in early August when the hospital's finances worsened and dozens of employees quit.



Ambulances are photographed in the holding bay of the emergency department of Kaiser Permanente Richmond Medical Center in Richmond, Calif., on Tuesday, Jan. 13, 2015. Data released by Contra Costa County Emergency Medical Services showed that ambulance traffic diversion from Doctors Medical Center has increased wait times at facilities like Kaiser Richmond. (Dan Honda/Bay Area News Group) ( Dan Honda )

The result is dramatic increases in the number of patients going to Kaiser Richmond, which has a 15-bed emergency department and is the closest to Doctors, as well as Contra Costa Regional Medical Center in Martinez and Alta Bates in Oakland, along with a few patients going to other area hospitals. No one has died as a result of the change, said Pat Frost, Contra Costa County's emergency medical services director. Transport times from pickup of emergency patients to their arrival at the hospitals have also increased substantially. San Pablo residents endure the biggest increase in ride time -- an average of 18 minutes, 39 seconds to reach a medical facility, up from 11 minutes, 24 seconds before Doctors suspended ambulance traffic. Residents in Richmond and Pinole also have longer transport times than they did last year.

"The increases were predictable," Frost said. "You have taken a facility away, and Kaiser has such a small emergency department. But even though transport times have extended, what we have put in place is more ambulance hours in West County."

Kaiser Richmond has taken the brunt of the new traffic, with 1,622 ambulance visits from Richmond 911 callers from August to December, about 50 percent higher than the same period in 2013. Kaiser Richmond also took 454 patients from San Pablo, more than double what it took a year earlier.

The new reality was clear at Kaiser Richmond's emergency room Tuesday evening, as the waiting room overflowed with dozens of walk-in patients and ambulances dropped off others. "The wait is worse now, for sure," said Richmond resident Antwon Cloird, who was there to support a friend whose mother was in the ER. "I know a lot of people who didn't know they could still go to DMC."

At Doctors that same day, the emergency room waiting area was sparse, with only five people seated in a room that holds more than 50. Patients there said they walked in to get care and didn't know that ambulances no longer take patients to the hospital.

Kaiser Permanente spokesman Jessie Mangaliman declined to comment on the surge of traffic to Kaiser Richmond but reiterated earlier statements that Kaiser "shares a mutual concern about access to care for underserved residents of Richmond and West Contra Costa County" and has provided financial support to DMC in the past.

Frost said county officials stay in constant contact with Kaiser Richmond to triage patients to other hospitals when the facility gets overwhelmed, using color codes that indicate the level of inundation.

About half of the time, Kaiser is able to accept ambulances without difficulty, Frost said. About 20 percent of the time, called red status, Kaiser is "severely impacted" and ambulance staff advises patients they can go to another hospital to be more quickly treated. About 1.5 percent of the time, ambulance personnel do not give patients a choice and instead take them to other hospitals because Kaiser cannot accept them, Frost said. Since August, 115 patients have had no choice but to go elsewhere.

Frost said longer transport times have not cost any lives, although relatives of a man who died in August after being taken by ambulance from Hercules to Alta Bates Summit Medical Center in Berkeley claimed he may have survived had DMC, which is much closer, been open. Frost could not say whether any patients' health had worsened because of longer transports.

"We are unable to determine that information with any accuracy right now," Frost said.

Frost said the situation will grow more dire if DMC, which still accepts emergency patients who self-transport or are brought by others, closes its 25-bed emergency room completely. Hospital officials are trying to piece together a multifaceted plan to keep DMC open as a full-service facility before it runs out of money in coming weeks.

The beleaguered hospital runs deficits because it serves mostly patients of MediCal and Medicare, which provide low reimbursement rates.

Contra Costa County supervisors last month forgave \$12 million in debt owed by DMC on previous cash advances. The Richmond City Council also voted to earmark \$15 million for DMC from a Chevron community benefits package tied to a refinery modernization, but that money won't become available until the refinery receives final permission to begin the project.

American Medical Response, which has a contract through the end of this year to transport emergency patients in the county, has borne much of the cost for the longer travel times, said spokesman Jason Sorrick.

"If this situation remains in 2016, it's unclear who will pay more (for transports)," Sorrick said. "We are hopeful that DMC will be reopened to ambulance traffic."

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# Contra Costa Times

## Interim CEO of Doctors Medical Center San Pablo to step down due to health problems

By Robert Rogers

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SAN PABLO -- The interim CEO who has led Doctors Medical Center since 2011 and fought to stave off closure due to mounting deficits, will step down Feb. 1 due to "personal health issues," the hospital's governing board announced Friday.

Dawn Gideon, managing director at Huron Consulting Group, which was contracted to oversee the hospital, has been at the forefront of the beleaguered hospital's efforts to secure new funding to close an \$18 million annual deficit, caused in part by serving a low-income community with a high ratio of Medicare, Medi-Cal and uninsured patients.

Gideon's second in command, Chief Operating Officer Kathy White, will assume CEO duties Feb. 1, the same day that Gideon's \$40,000 per month salary ends. Hospital Governing Board Chair Eric Zell said Friday that if the hospital can secure additional funding in the next few months, a nationwide search for a permanent CEO would commence.

Without new funding, the hospital may be insolvent by March, Zell said.

Gideon had planned to announce that she was stepping down in the next month, but her health has worsened, Zell said. He declined to describe the nature of her illness. Gideon is at her home on the East Coast and will assist in the transition from there.

"She is unable to fly at this point," Zell said. "She was so committed and so engaged and did a great job in keeping the hospital open during these challenging times. She's a national expert on turnarounds and bankruptcies, so this is a really a sad loss for me and the hospital and community."

Gideon has not been seen at DMC for weeks. Zell said that Gideon did not attend the last governing board meeting on Dec. 1; instead, she listened and offered feedback by phone. The recent absence is a stark contrast to Gideon's approach over the past few years, when she routinely attended public meetings and delivered remarks and appeared to be in good health.

Zell said that next week's board meeting will feature fresh proposals for "public and private bridge funding through 2015."

The hospital has experienced new hope recently, as the Contra Costa County supervisors last month forgave \$12 million in debt owed by DMC on previous cash advances. The Richmond City Council also voted to earmark \$15 million for DMC from a Chevron community benefits package tied to a refinery modernization, but that money won't become available until the refinery receives final permission to begin the project.

Meanwhile, the hospital, which has West Contra Costa County's only public emergency room, was forced to stop accepting ambulance traffic in August due to staffing shortfalls.

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# San Pablo among investors bidding to save Doctors Medical Center

By Robert Rogers rrogers@bayareanewsgroup.com

Posted: 01/21/2015 07:41:17 PM PST Updated: about 3 hours ago



Doctors Medical Center pharmacy technician DeeAnn Barnes, right, and National Union of Healthcare Workers representative Jan Gilbrecht walk toward the hospital after discussing the recently rejected tax to save the hospital in San Pablo, Calif., on Wednesday, May 7, 2014. (Kristopher Skinner/Bay Area News Group Archives) ( Kristopher Skinner )

**SAN PABLO** -- Four proposals have emerged to buy Doctors Medical Center and keep it running -- three from private hospital groups and one from the city of San Pablo -- fueling hopes that services can be maintained at West Contra Costa's only public hospital.

Set to run out of money by the end of February and hit with the resignation last week of its interim CEO due to health troubles, the governing board of Doctors Medical Center San Pablo heard the series of proposals at its meeting Wednesday.

West Contra Costa Healthcare District Board Chairman Eric Zell said the most serious proposal came from San Pablo, which offered the board \$11 million within the next 30 days to buy the

hospital, and a nearby plot of land worth more than \$7 million on which a smaller hospital may be built.

"We know the city's proposal is real, and they have the resources to be serious," Zell said.

San Pablo City Manager Matt Rodriguez said the city would lease the current hospital site to the district for \$1 per year for the next five years while helping find additional capital to build a smaller facility nearby.

Other proposals that emerged late Wednesday included one from Venturata Economic Development Corp. President John Templeton said he and his partners could buy the hospital with \$18 million up front, restore full services and expand research at the hospital to draw federal and state funding. Templeton said he and his partners can avert closure and ultimately make money running a full service hospital.

"We have to keep the doors open in the near term to draw more private insurance patients and build the research component," Templeton said. "We have to get this car through this intersection before the light turns red."

Another proposed investor said she would work to partner with UC Berkeley and the city of Richmond to move the hospital to Richmond's southern shoreline area, which is the site of a proposed UC Berkeley campus project. A fourth proposal was not revealed by press time.

Zell said the board will have to decide in mid-February whether to accept a proposal or commence closing the hospital.

Rumors surfaced last year that the adjacent San Pablo Casino, which is run by the Lytton Tribe, was in preliminary talks with DMC CEO Dawn Gideon about potentially buying the property. But those talks did not materialize into a proposal Wednesday. The casino paid \$4.6 million in June for a 20-year lease on parking spaces in the back of the hospital.

The hospital has experienced new hope recently, as Contra Costa County supervisors last month forgave \$12 million in debt owed by DMC on previous cash advances. The Richmond City Council also voted to earmark \$15 million for DMC from a Chevron community benefits package tied to a refinery modernization, but that money won't become available until the refinery receives final permission to begin the project.

Meanwhile, the hospital, which has West Contra Costa County's only public emergency room, was forced to stop accepting ambulance traffic in August due to staffing shortfalls. The ambulance diversion has inundated private hospitals in the vicinity with patients and dramatically lengthened emergency transport times.

The downsizing has helped reduce the hospital's deficit from \$1.5 million to \$1.1 million monthly, officials said, but the hospital is still projected to run out of money and be unable to meet payroll for its 600-person workforce by March.

County health officials have said the situation will grow more dire if DMC, which still accepts emergency patients who self-transport or are brought by others, closes its 25-bed emergency room completely.

The beleaguered hospital runs deficits because it serves mostly patients on MediCal and Medicare, which provide low reimbursement rates, and uninsured patients.

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# Doctors Medical Center board to sift through takeover bids

By Robert Rogers rrogers@bayareanewsgroup.com

Posted: 01/24/2015 07:52:24 AM PST Updated: 2 days ago

SAN PABLO -- While West Contra Costa's only public hospital has languished for years in a sea of red ink, advocates and members of the hospital's governing board sought a partnership with other health care providers to save it, to no avail.

But as Doctors Medical Center's crisis reaches its most critical stage -- leaders say it will be unable to make its vastly diminished payroll by March -- eleventh hour bids have poured in.

"We're at the end of our rope, and these entities see an opportunity to get valuable assets at the lowest price they can negotiate," West Contra Costa Healthcare District Board Chairman Eric Zell said Thursday, one day after four new proposals to buy or take over the hospital were revealed at a public meeting. "You want to buy when the seller is at its most desperate point, and they are seeing opportunities to buy low and sell high."

With proposals on the table -- one from a for-profit group, one from a nonprofit, one from the city of San Pablo and one that combines public and private resources -- the challenge for board members is to pick the right one, and do so quickly. Zell said the decision must be made by next month.

"The key is if there are any options on the table to save the hospital and open another facility at another site in the future; that's where we need to go," said board member Deborah Campbell.

While board members are careful to note that the next several weeks will be critical to determine the viability of the plans, the surge of interest is a welcome development for community members and county health officials who have worried about the loss or drastic downsizing of the hospital, which has 25 of the 40 emergency room beds in West County. By last August, more than 80 employees had resigned, and the facility closed its emergency room to ambulance traffic. Over the past year, the number of full-time employees has dropped from 699 to 343, according to hospital statistics.

"If that emergency room is closed, or the hospital isn't there, the consequences for that community would be devastating," said Pat Frost, Contra Costa County's emergency medical services director.

Fissures among the governing board over which plan looks best have already emerged. Zell said San Pablo's proposal, which would give the board \$11 million within the next 30 days to buy the hospital and a nearby plot of land worth more than \$7 million on which a smaller hospital may be built, is the most promising because there is no doubt the city has the money.

But Campbell disagreed, saying the city wants the valuable land to develop as commercial and retail property to complement an adjacent casino but doesn't do enough to ensure the district can build a new hospital.

Campbell said a plan proposed by Angels Care Inc., a nonprofit foundation that says it will take over management of the hospital in the short term and finance construction of a new hospital in Richmond, is better for residents.

"The San Pablo offer is a lowball offer, and it doesn't finance a new hospital," she said. "If we go with Angel Care, they will just lease the property, so we aren't selling our asset under market value."

The hospital, which serves mostly Medicare and MediCal patients, has lost money for years. Area private hospitals draw most patients with private insurance, which pays higher reimbursement rates for care, casting doubt on how new investment groups could turn a profit.

Board member Dr. Richard Stern and others note that part of the district's ongoing financial troubles stem from its lack of funding from county government, a situation caused by the hospital's designation as a district hospital, which Stern calls "outmoded."

A proposal from Venturata Economic Development Corp., a for-profit company, offers to buy the hospital for \$18 million up front and ultimately pay the district more than \$30 million with leasing credits and other deals.

President John Templeton said he and his partners would restore full services and expand research at the hospital to draw federal and state funding. Templeton said economic growth in the region, some of which is linked to a proposed UC Berkeley Global Campus project for Richmond's south shore, make the hospital a good investment.

"The demographics will be changing because West Contra Costa is the only place left for affordable housing," Templeton wrote in an email. "Even before the UC campus is completed, the growth will resemble what's happening in Bayview Hunters Point and West Oakland."

None of the proposals would maintain the hospital at the current site beyond a few years. Millions in seismic retrofit work required by the state make the current building untenable, investors say.

The hospital's governing board has retained a law firm to review the proposals and provide an analysis before a decision is made in mid-February.

"Every proposal has hair on it," Zell said. "We face difficult decisions."

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## Rules revisited for preserving Stanislaus farmland

BY GARTH STAPLEY - GSTAPLEY@MODBEE.COM

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Questions about valuing farmland when it's swallowed by sprawl will resurface Wednesday in the latest dispute between development and agriculture.

The issue sparked when Patterson, which has been growing far more rapidly than any other Stanislaus County city, in the fall pitched a farmland preservation policy considered inadequate by agricultural advocates. Although Patterson has assumed the role of lightning rod in this dispute, the outcome could ripple far beyond as the building industry revives.

Much of the controversy centers on fees that some cities charge developers when they want to replace farmland with houses or businesses. Such money would be used to permanently preserve farmland in other locations.

In 2012, the Stanislaus Local Agency Formation Commission adopted rules requiring that cities, when they want to grow, have some sort of farmland preservation policy such as so-called in lieu or mitigation fees. Options include voter-approved urban limits.

The recession slowed growth in these parts and the rules have been tested only twice. Last year, Modesto said developers must set aside 1 acre of farmland elsewhere for every acre sacrificed in the 84-acre Woodglen annexation. And Patterson in late 2013 dangled the promise of 10,000 jobs to secure a 1,119-acre annexation for Jeff Arambel and KDN Enterprises' West Patterson Business Park.

Meanwhile, anticipating that building eventually would ramp up, most cities came up with ways to comply with LAFCO's farmland-preservation rules:

- In two growth areas, Oakdale leaders decreed that builders would mitigate farmland loss at a rate of

1 agricultural acre for every acre developed. Hughson doubled that goal, requiring 2 acres of farmland easements for every developed acre.

- Newman voters approved an urban limit that's supposed to restrict growth until 2040, and Modesto's voters in November will confront a similar ballot restriction proposed by controlled-growth advocates.
- Turlock leaders said they won't consider new growth proposals until prior developments are 70 percent complete, while Waterford is exploring establishing a greenbelt between that city and Modesto.

Patterson leaders, responding to a suggestion by the Building Industry Association, proposed charging mitigation fees of \$2,000 per acre. Critics heaped scorn, saying easements around Modesto are costing \$8,000 to \$10,000 an acre and noting that some farmland is selling for more than \$30,000 an acre. The Central Valley Farmland Trust, a nonprofit managing such easements, said the average Stanislaus going price is \$7,100 per acre.

LAFCO staff also challenged the idea, noting that Patterson leaders, when submitting the Arambel application, had valued farmland at \$3,500 to \$15,000 per acre.

Patterson leaders several times delayed voting on the policy and have yet to adopt it. But the issue surfaced in December at LAFCO; commissioners asked their staff to analyze how to arrive at fair fee amounts, and wanted more information on cities' traditional growth rates.

A new report says some agencies, such as Stanislaus County and Hughson, require that fees amount to no less than 35 percent of the average price paid in five comparable land deals, plus a 5 percent endowment, and suggests that LAFCO consider a similar rule.

In the past 10 years, Stanislaus' nine cities expanded a combined 33 percent, led by Patterson's growth rate of more than 135 percent. Waterford was next at 44 percent, and other cities ranged down to Newman, which has added no acreage since 2004.

The LAFCO meeting begins at 6 p.m. Wednesday in the basement chamber at Tenth Street Place, 1010 10th St., Modesto. For details, go to [www.stanislauslafco.org/info/PDF/Staff%20Rpts/AgMemo.01282015.pdf](http://www.stanislauslafco.org/info/PDF/Staff%20Rpts/AgMemo.01282015.pdf) (<http://www.stanislauslafco.org/info/PDF/Staff%20Rpts/AgMemo.01282015.pdf>). Commissioners also are expected to begin recruiting a replacement for executive officer Marjorie Blom, who is retiring.

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DOCTORS MEDICAL CENTER SAN PABLO

## Hospital bailout plans all have catches

Prospective investors all seem looking to buy assets at fire-sale prices

Pardon the folks who care about Doctors Medical Center San Pablo if they seem a bit lightheaded these days. They're still dizzy from a breathtaking 180-degree turn. After years of searching for a way to keep the cash-strapped hospital afloat, they recently had four proposed solutions thrown in their laps. The competing plans were presented to the hospital's governing board last week, just five weeks before the facility is expected to run out of money. If there was optimism in West Contra Costa Healthcare District Board Chairman Eric Zell's voice, it was tempered with caution. "Every one of these proposals has shown up because they think they see an opportunity, if you will, to buy low and sell high," he said. "They see the district is 30 days from closing. While we appreciate their interest in the See **BARNIDGE**, *Page 6*



COLUMNIST

**TOM BARNIDGE**

### Article Continued Below

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[See BARNIDGE on Page A06](#)

#### Barnidge

*Continued from Page 1*

future of this hospital, none of them are philanthropists."

Each of the plans hinges on DMC putting up its physical assets as collateral. (The hospital and its adjacent grounds are valued at about \$28 million, Zell said.) But that may be the price required to attract well-heeled investors.

The proposals run the gamut from "concerned citizen" Linette Coles-Spaccavento, who promised to connect DMC with a \$100 million funding source, to investment firm Venturata Group, which dangled \$36 million as part of its plan, to Angels Care Inc., which promised \$30 million and hospital turnaround specialist Larry Anderson. There is also the city of San Pablo, which offered \$11 million in cash, a five-year leaseback plan and a gift of land one block away that could be the site of a new facility. It was pretty heady stuff, with grand concepts, big dreams and large figures floating through the room. A guy might think it was too good to be true. "None of the four proposals provide a guaranteed, long-term solution," said Contra Costa Supervisor John Gioia, who serves on the separate Doctors Medical Center governing body board of directors. "At best, they give the hospital more time to bridge to a solution. The most concrete proposal was from San Pablo, but there's still substantial uncertainty whether this hospital can survive."

Anderson, former CEO of Tri-City Medical Center in Oceanside, made the case that he can turn DMC's money-losing situation — an annual deficit of \$18 million — into at least a break-even proposition with budget cuts, new efficiencies and an improved payer mix. About 90 percent of DMC's patients are uninsured, on Medi-Cal or Medicare.

"I wouldn't say he can't do that," said Zell, choosing his words carefully. "All I know is that in the last decade, nobody else with

significant experience running a hospital has been able to accomplish that.”

With the clock rapidly ticking down, the board's mission now is to sort reality from fiction. Which proposal has legs? Which offers the best hope? If the next decision is the wrong decision, there may not be another.

DMC's attorneys and financial analysts will crunch numbers for the next two weeks, dissect the terms of all the proposals and research the wherewithal of those making them. The board will reconvene in early February and cast its lot by the end of the month. San Pablo would seem to have the inside track.

There is, of course, one other concern. DMC must meet state-mandated seismic standards by 2020. At a minimum, that will cost \$20 million. A better option would be a new facility, costing five or six times as much.

DMC officials are very much hoping that's a problem they'll be forced to confront. *Contact Tom Barnidge at [tbarnidge@bayareanewsgroup.com](mailto:tbarnidge@bayareanewsgroup.com).*

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# Contra Costa Times editorial: Doctors Hospital proposals only bury the district deeper in debt

Contra Costa Times editorial © 2015 Bay Area News Group

Posted: 01/26/2015 04:00:00 PM PST

For all the chatter, none of the latest proposals to "save" West Contra Costa's public hospital do anything of the sort.

We're witnessing a cruel hoax that provides false hope that, with a few sleights of hand, Doctors Medical Center in San Pablo will suddenly start operating in the black. Nothing could be further from the truth.

It's time to move on. The health care district must change its business model. It cannot afford to operate a full-service hospital. But by shifting to urgent care and preventive health services, it could still do a lot to save lives.

Meanwhile, none of the latest proposals changes the fundamental fact that a full-service hospital will continue to lose money. For years, we've witnessed attempts to stem the red ink, all of which have failed.

These new proposals would not fix that. Instead, in one form or another, they all call for the hospital district to sell off assets to raise short-term cash. That's just another form of borrowing that will drive the district, and taxpayers, deeper in debt.

We would welcome a plan in which a company with the requisite expertise risks its own funds to try to turn this hospital around. But we're tired of watching hospital district leaders inflate the mortgage to keep the doors open.

In 2004, voters approved a \$52 annual parcel tax to help keep the hospital running. In 2011, they increased it to \$99. In 2014, the district sought to triple that, to \$309, but could muster support of only 52 percent of voters for a measure that required two-thirds approval.

Meanwhile, the district continues to spend more than it takes in. To cover its current bills, it borrows against future tax revenues. It's now more than \$75 million in debt to the county and bondholders, a liability that won't be retired until 2042. Yet it will run out of cash in March.

It had been assumed that, if the hospital were to fold, the property, worth about \$28 million, could be sold to help pay down that debt. What these supposed saviors propose is that the district sell the hospital property to raise operating cash for the district.

The district would be allowed to keep operating the hospital under a lease-back arrangement or rent-free. But the primary point is that the asset would be lost and the proceeds would be used to cover operating expenses. The equity would no longer be available to help pay down debt. That additional burden would shift to taxpayers.

Once again, the district would be kicking the can down the road. That's not a solution.

# Martinez council to pay for open space annexed to John Muir National Historic Site

By Dana GuzzettiCorrespondent

Posted: 01/28/2015 11:55:07 AM PST Updated: 5 days ago

MARTINEZ -- The Martinez City Council has agreed to pay for the 44-acre West Hills Farm open space to be annexed to the Mount Wanda part of John Muir National Historic Site at the mouth of the Alhambra Valley.

The unanimous decision was made at a short, special meeting Jan. 26.

The property is under contract to Muir Heritage Land Trust, which agreed to maintain it in perpetuity for the National Park System. The deal has "already been approved by Congress and the President," according to Charles Lewis, land trust director.

At the same meeting, the council unanimously approved a \$6.4 million plan to improve Waterfront Park baseball fields, picnic area, lighting, parking and more.

# New Richmond mayor lays out goals for city

By Jennifer Baires For the Contra Costa Times

Posted: **01/28/2015** 12:18:30 PM PST Updated: about 15 hours ago

RICHMOND -- Newly seated Mayor Tom Butt delivered an upbeat outlook during his State of the City address at Tuesday night's City Council meeting and laid out his priorities for coming years, which include annexing North Richmond, reviving the failing Hilltop mall and continuing the revitalization of the city's historical main street, Macdonald Avenue.

While Richmond's crime rate remains high relative to other cities in Contra Costa County, it continued a downward trend in 2014, with reported violent crimes dropping below 1,000 for the first time in a decade and homicides reaching their lowest number since at least 1971 -- the earliest year for which records are available.

Likewise, unemployment is down to 9.4 percent, a 10-year low, and because of "real growth in small businesses," the city has added 5,000 jobs over the past four years.

Among the numerous initiatives Butt laid out for his term as mayor was a controversial one that has come up before -- the North Richmond annexation.

North Richmond is a tiny enclave -- 1.5 square miles -- completely surrounded by Richmond. For decades, the area has been beset with high poverty and crime; its median household income is \$8,763, and the per-capita homicide rate is among the highest in the nation.

"We believe North Richmond residents and businesses could receive better public services if the area were part of Richmond," Butt said. "For many years, North Richmond residents and businesses have opposed annexation, but there is new interest; 2015 could be the year we become one Richmond."

Despite the mostly positive outlook, two items the council discussed later in the night -- how to tackle the city's worsening roads and high foreclosure rates -- highlighted the work that still needs to be done.

After a lengthy discussion on how best to use money coming in from a one-half-cent sales tax measure voters passed in November to maintain and enhance city services, the council voted 5-1 to have staff come back with more information on its options for tackling city streets.

Although not earmarked specifically for streets, the sales tax measure was often framed as a way to raise money for their improvement, but some on the council balked at the \$44 million bond city staff recommended taking out to front-load the street improvement project and instead recommended the city stick with a "pay-as-you-go" strategy that would mean slower improvements to streets but less debt.

"We're all looking toward an economy that is going to get better," Councilwoman Gayle McLaughlin said. "But if we allocate a certain amount yearly for street funding, we could put in more during a good period, and in a bad period we could cut back. We wouldn't have that option with yearly debt payment."

"When we went out for this bond measure, we promised the people that we were going to fix their streets," Councilman Nat Bates said. "That was our number one priority; that is why they voted for it. Now you want to piecemeal this project, and no streets are going to be fixed for years."

The council also heard a presentation from Hogar Hispano Inc., a nonprofit group hoping to partner with the city on a homeownership-preservation program to assist families who are underwater with their mortgages.

"We have a real incentive here to help those in our city that are still struggling," McLaughlin said as she introduced the speaker. "We face an estimated 15 foreclosures per month, and over 4,000 homes in the city are underwater."

One of McLaughlin's pet projects as mayor was Richmond CARES, a contentious program that proposed using the city's power of eminent domain to seize underwater mortgages, prevent foreclosures and reduce the amount owed to keep people in their homes. Though initially popular among the council, the initiative stalled after its passage in 2013.

This potential new partnership would avoid the legal questions raised with the Richmond CARES program and instead would support the organization's attempt to buy pools of mortgages, with Richmond addresses, from large banks.

A resolution on the issue is expected to come before the council at a later meeting.

# Martinez could hire new city manager

## Wednesday

[By Sam Richards](#)[Contra Costa Times](#)

Posted: **01/30/2015** 06:17:58 PM PST Updated: about 18 hours ago

MARTINEZ -- The City Council could confirm Rob Braulik as its new city manager at its next meeting Wednesday night.

Braulik, who since 2012 has been town manager of Ross in Marin County, was among more than 40 candidates who applied for the city manager's job.

"Rob Braulik was chosen as our new city manager out of a group of very highly qualified candidates," Mayor Rob Schroder said in a statement Friday. "He brings strong qualities of an inclusive style of management with extensive experience in economic development, budget and finance, capital projects and community engagement."

His proposed starting salary in Martinez would be \$200,000.

Martinez has been without a permanent city manager since October 2013, when Phil Vince resigned.

Wednesday's council meeting begins at 6 p.m. at City Hall, 525 Henrietta St.