

TRINITY LOCAL AGENCY FORMATION COMMISSION

August 20, 2019 at 4:00 p.m.

Trinity County Library meeting room,

Weaverville

AGENDA

1. **CALL TO ORDER**

2. **PRESENTATIONS/ANNOUNCEMENTS**

None

3. **APPROVAL OF MINUTES**

None

4. **PUBLIC COMMENT OPPORTUNITY**

This agenda time is for information from the public for items *not* appearing on today's agenda. No action or discussion will be conducted on matters presented at this time. When addressing the Commission, please state your name for the record prior to providing your comments. Address the Commission as a whole through the Chair. Comments are limited to three (3) minutes in length, subject to the discretion of the Chair, and must pertain to matters within the jurisdiction of this Commission.

5. **PUBLIC HEARINGS**

A. Public Workshop – Discuss and consider application to form a Community Services District to provide ambulance service. Kathy Ratliff from Trinity County Life Support to provide PowerPoint Presentation.

6. **ACTION ITEMS**

A. None

7. **ADMINISTRATIVE BUSINESS**

A. Updates for Trinity LAFCo.

8. **EXECUTIVE OFFICER'S REPORT/CORRESPONDENCE**

9. **COMMISSIONER'S COMMENTS**

10. **ADJOURNMENT**

The Commission may take action upon any item listed on the agenda. Unless otherwise noted, items may be taken up at any time during the meeting.

All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCo action in court you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff before 1:00 p.m. on the day of the hearing will be distributed to the Commission. If you wish to submit written material at the hearing, please supply 15 copies.

Accessibility

The location of this meeting is wheelchair-accessible. If other accommodations are required to assist a person with a disability to participate in the meeting, please contact the Executive Officer or Commission Clerk at least 24 hours before the meeting.

Disclosure & Disqualification Requirements

Any person or group of persons acting in concert who directly or indirectly contribute \$1,000 or more in support of or in opposition to a change of organization or reorganization that has been submitted to Trinity LAFCo must comply with the disclosure requirements of the Political Reform Act of 1974 applicable to local initiative measures to be submitted to the electorate. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals; they may be reviewed at Government Code §§56700.1 and 81000 *et seq.* Additional information about the requirements pertaining to local initiative measures to be presented to the electorate can be obtained by calling the Fair Political Practices Commission at (916) 322-5660.

A LAFCo Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application, or an agent (such as an attorney, engineer, or planning consultant) representing the applicant or an interested party. The law (Government Code Section 84308) also requires any applicant or other participant in a LAFCo proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding.

Late-Distributed Materials. Any material submitted to the Commission after this agenda is posted will be made available for public inspection as soon as possible in the LAFCo office, as indicated below.

Contact LAFCo Staff: LAFCo staff may be contacted via mail at Trinity LAFCo, P.O. Box 1445, Weaverville, CA 96093; or via email at kathy@trinitylafco.org or by fax at (530) 623-1353.

ITEM

NO.: 5 **MEETING DATE:** August 20, 2019 **APPLICATION NO.:** LAF-19-01

**TRINITY LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT**

Trinity County Board of Supervisors on
APPLICANT: behalf of Trinity County Life Support **REPORT BY:** John Jelichich
Proposed district is composed of
PROPERTY OWNERS: properties from most of the County **APN:** Various –

PURPOSE OF TODAY'S WORKSHOP:

The purpose of this workshop is to review the proposed project to form a Community Services District, to be known as "Trinity Life Support Community Services District."

This will include a discussion of the proposed project, why it is necessary to form a special district, the boundaries of the proposed district and the service plan, including necessary financing through a property assessment.

At the conclusion of the workshop, the Commission may provide direction to staff regarding the project in preparation for the public hearing, tentatively scheduled for September 17, 2019.

SUMMARY OF APPLICATION:

The proposal to form a Community Services District to provide ambulance services was made by resolution of the Trinity County Board of Supervisors in accordance with Section 61013 of the California Government Code. The proposal would create a Community Services District to provide "ambulance services ("Advanced Life Support" (ALS)), including EMS training and community education programs." In summary, the resolution of application (Res No. 2019-032, attached as Exhibit A), adopted by the Board of Supervisors on April 2, 2019, included the following proposed terms and conditions for LAFCO's consideration: 1) The proposed district be authorized to provide the following services: a) Provision of ambulance services and b) Provision of public safety education; 2) The proposed service area (map - attachment "A" of the resolution); 3) The proposed methods the district will use to finance those services is voter approval of an annual \$68 special parcel tax (in addition to other revenue sources); 4) The proposed name for the district is "Trinity Life Support Community Services District" and 5) The board of directors of the district would be elected at-large.

BACKGROUND:

The following background information, prepared by Trinity County Life Support (TCLS) for its application, summarizes the history of TCLS and the reason for forming a special district.

“TCLS has operated as a non-profit since 1993, providing 911 advanced life support ambulance service to the majority of Trinity County. Bordering ambulances providing service in Trinity County are Southern Trinity Area Rescue (STAR) ambulance serving the communities of Mad River and Zenia-Kettenpom, and Hoopa Ambulance in the West, serving Hawkins Bar and Salyer.

Trinity County Life Support (TCLS) proposes formation of a community service district (CSD) to move existing ambulance service to a financially sustainable structure. The TCLS Board of Directors and Management strongly believe in preserving advanced life support staffing and agree the most viable solution to stabilize ambulance service is a restructure from non-profit organization to CSD with voter approval of a parcel tax.

“To continue providing ambulance services to the community the formation of a Special District is a critical need for our Service area. Many outside influences, minimum wage increase, lack of true cost reimbursements from Federal and State health systems, and inability to compete with adjacent ambulance service wages in Shasta County, have led TCLS to make this proposal. TCLS has been operating on a shoe string budget for many years which has resulted in a decrease in service level to the communities that we serve. If not for some dedicated employees with a “make it work attitude” our services would have been diminished further.

“TCLS serves Big Bar, Big Flat, Coffee Creek, Covington Mill, Del Loma, Douglas City, Forest Glen, Hayfork, Helena, Hyampom, Junction City, Lewiston, Minersville, Peanut, Post Mountain, Trinity Center, Weaverville, and Wildwood. The service area is 1,383,800 acres.”

(Source: TCLS application, January 2019)

Trinity LAFCO first became involved in this issue in 2016 through phone calls with Kathy Ratliff, Administrator for TCLS, who explained the financing problems facing the organization. Over the next several months in 2017 and 2018 various options were reviewed. A.P. Triton LLC and City Gate Consultants were contacted by TCLS to assess options, including methods of improving their existing operations, billing and performance. Explanations of “Exclusive Operating Areas” were reviewed and found not applicable to TCLS. Coordination with Southern Trinity Area Rescue (STAR) was explored. Other options considered in these many meetings included:

- 1) Improve existing operations, billing and performance. A. P. Triton LLC was instrumental in a performance review of TCLS for various methods of improving their finances. Their findings indicated that increased funding is needed, but these sources, such as Ground Emergency Medical Transport (GEMT), a reimbursement program for Medi-Cal shortfalls, are only available to government entities. Other options could include asking the hospital to take over ambulance services, have the County take over ambulance services – which may result anyway if financing cannot improve, have another special district that is allowed to provide ambulance service take over operations or form a new special district. None of these alternatives were determined feasible and all would have required additional outside funding through a parcel tax. Forming a new district appeared to be the best available alternative.

- 2) Asking the hospital to add the ambulance service to their list of authorized powers: this option was not preferred because the hospital is trying to achieve financial independence and no longer rely on an assessment. Adding the ambulance service would create a need to continue the existing assessment and probably increase the assessment. Further, adding ambulance service would increase liability and insurance costs to the hospital.
- 3) Weaverville Fire Protection District seriously considered working with TCLS to ask LAFCO to add ambulance service to its list of authorized powers and then contract with TCLS to provide the service. (This would have enabled TCLS to access some of funding sources only available to government entities. However, this presented some serious concerns with liability, therefore, if other options are available, it may be best to pursue those.) Further, LAFCO would have concerns because Weaverville Fire Protection District only serves the Weaverville area.
- 4) During early discussions, Trinity PUD considered seeking special legislation to allow it to operate the ambulance service, at least on an interim basis. The additional liability of operating an ambulance service could also have been an issue for Trinity PUD. In addition, a public utilities district does not have 'ambulance' service listed as an allowable power, therefore, special legislation would have been required. Since other options are available, it may be best to pursue those.
- 5) Having the County form a County Service Area (CSA), a type of 'dependent special district', for ambulance services was also pursued. The County representatives at the various meetings had no interest in being responsible for health care operations. The County would also need an assessment to operate the ambulance service and, after further discussions, it appeared that the public would prefer a separate entity that specializes in ambulance care, rather than having the Board of Supervisors act as the board of directors for ambulance service.
- 6) TCLS prefers to remain autonomous. They have managed the ambulance service efficiently and effectively for several years and the main reason for financial problems now is the reimbursement rate from federal and state sources. (This is explained in more detail below.)

Therefore, following series of meetings, it was determined that the best course of action was to form a new district. The next question to explore was: What type of special district would best meet the public's needs?

The following types of special districts are allowed to provide ambulance services, subject to LAFCO authorization:

Fire Protection District

A Fire Protection District's allowable powers includes "ambulance services, pursuant of Division 25 (commencing with Section 1797). There are four fire protection districts, five Community Services Districts, and one Public Utilities District that provides fire protection services within the proposed ambulance service area. If, at some point in the future, fire protection services are consolidated into one county-wide district, consolidation of the proposed ambulance services with the newly formed fire district may be viable; however, at this time, a separate district devoted to the provision of Advanced Life Support ambulance services is preferable.

County Service Area

A County Service Area (CSA) is managed by the County and the Board of Supervisors acts as the district board of directors. After discussion with proponents, including various BOS Chairpersons, this option was not considered prudent, especially considering public concerns over past hospital operations by the County.

Local Health Care District

While another Local Health Care District is an option, the same concerns regarding funding through an assessment is still required. Another concern is that a Local Health Care District requires an election every five years to renew the assessment. A better, more reliable, funding provision would be to form a special district with a Board of Directors that can adjust the assessment lower as future conditions allow.

Community Services District

A Community Services District (CSD) has a long list of allowable services that may be provided, although it is LAFCO that determines the 'authorized' services of a particular district. Originally, the option of forming a CSD did not seem appropriate because the name implies that it applies to a small growing community. However, there is nothing in the CSD principal act that would preclude the formation for only one service, in this case, ambulance service or to include a large area for the effective and efficient provision of that service. The legislative intent includes the following (Gov. Code, Sec. 61001(c)(3):

“That residents, property owners, and public officials use the powers and procedures provided by the Community Services District Law to meet the diversity of the local conditions, circumstances, and resources.”

Trinity County has no incorporated communities. The largest community, Weaverville, has a population of approximately 3,500. Each small community within Trinity County cannot support an ambulance service, either justified by need or funding capabilities. After several months of serious discussions with affected agencies, consultants, the TCLS administrator and the TCLS board of directors, the approach most likely to succeed is to form a Community Services District for the existing land area currently served by TCLS, including several small populated areas, isolated clustered developments, single family homes, and forest/agriculture parcels. A public hearing was conducted by the Trinity County Board of Supervisors during which public comment was received. At the conclusion of the hearing the Board of Supervisors adopted Resolution No. 2019-32 submitting the application to form a CSD for the purpose of providing ambulance services to the geographic area currently served by TCLS (Refer to Exhibit A)

As a matter of disclosure, Commissioner Bill Britton, Weaverville Fire Protection District (WFPD) has provided assistance to TCLS in the early stages of TCLS's review for options and improvements to the existing operations, including consideration of adding ambulance service to the authorized powers of WFPD. Commissioner John Fenley provided valuable insights and pertinent questions regarding TCLS's existing operations, options for addressing revenue shortfalls and helped explore

changes to the organizational structure of TCLS during his tenure as Chair of the Board of Supervisors. Commissioner Judy Morris attended several working sessions and provided important information and procedural background regarding the Board of Supervisors' actions on the resolution to submit the application while she is the Chair of the Board of Supervisors. In addition, the Commission, as a whole, received regular updates regarding the progress of TCLS to form a district from the Executive Officer over the past couple of years.

Note that contacts between Commission members acting in their capacity as a special district board member or member of the Board of Supervisors is not a conflict of interest regarding LAFCO proceedings. Each Commission member must "exercise their independent judgment on behalf of the interest of residents, property owners, and the public as a whole in furthering the purposes of (Cortese-Knox-Hertzberg Local Government Reorganization Act)." (Gov. Code, Sec. 56325.1)

LAWS APPLICABLE TO FORMATION OF A COMMUNITY SERVICES DISTRICT:

There are two areas of California law that pertain to the formation of a Community Services District: "Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000" (Government Code, Section 56000 et seq) and "Community Services District Law" (Government Code, Section 61000 – 61226.5). The Commission is familiar with C-K-H and the tie-in with a district's principle act.

In addition to these formation laws, the California Environmental Quality Act (CEQA) also applies. This project will be exempt under CEQA, pursuant to the California Code of Regulations, Sec. 15061(b)(3) because there is no potential for causing a significant effect on the environment – there will be no alternations to the physical environment because all improvements exist and the ambulance service has been operating for many years; Section 15301 (existing facilities) and Section 15320 (changes in organization of local agencies).

DISTRICT BOUNDARIES:

The LAFCO resolution to form the proposed Community Services District includes a geographic description and map which match the area currently served by Trinity County Life Support and is nearly the same land area served by the Trinity Public Utilities District plus the Post Mountain Public Utilities District. The area is approximately 2,161 square miles (1,383,800 +/- acres). (These are updated calculations since the application was originally prepared last January.) Attached is a copy of the geographic description and map (Exhibits B & C).

This land area was chosen by the TCLS based on their existing service area. Part of LAFCO's review will be consideration of the existing TCLS service area.

FUNCTIONS OF THE PROPOSED DISTRICT:

While the powers available to a Community Services District are many, this application only proposes one authorized power; "ambulance services" and related training and educational activities (Gov, Sec 61100-61107). If there is a need to add a function (latent power) as an authorized power to the list of

district powers (services) in the future, application can be made to LAFCO to add it. Such a request would normally be addressed during the review or update of a district's Sphere of Influence.

The board of directors of the district also has general powers to perform acts necessary or proper to carry out their duties. These are listed in Sections 61020 – 61022 of the California Government Code.

“The TCLS is currently operating under Health and Safety Code Section 1797 et seq. There will be no change to the regulatory agencies that govern ambulance services.

“California Emergency Services Authority (California EMSA) at the State level, and Northern California Emergency Services as the local EMSA or LEMSA. The same regulations and protocols in place apply to the special district ambulance service.

“Certification and licensing of EMTs and Paramedics are done via these two agencies for all of Trinity County. Nor Cal EMS serves five rural counties, Lassen, Modoc, Plumas, Sierra and Trinity. Whether they are a volunteer fire member or a paid member of a fire department, public or private ambulance emergency care is regulated by State and Local EMSA.”

(Source: TCLS, June 2019)

Assets and liabilities of the existing TCLS will transfer to the new district upon formation. Formation will occur at the time the Executive Officer records the “Certificate of Completion.” This document will not be recorded until all of the terms and conditions of the Commission's approval have been met, including successful voter approval.

GOVERNING BODY:

The governing body, which is established by law (Gov. Code, Sec. 61020-61022 and 61040-61048) to administer the operation of a Community Services District, is composed of an elected five-member board of directors. They serve staggered four-year terms. The election to form the district will include the opportunity to vote for the initial board. The existing board members of Trinity County Life Support have indicated a willingness to continue serving to help transition from the existing ambulance service to the independent special district.

In addition, the TLSCSD will be required to have a General Manager (Gov. Code, Sec. 61050). District funds would normally be maintained with the County Treasurer (Gov. Code, Sec. 61052), unless the district specifically takes action to invoke the provisions of Gov. Code, Sec. 61053. The Executive Officer recommends that the district follow the provisions of Section 61052 and maintain their funds with the County treasurer. This could make audits of the district much simpler.

OVERLAPPING TERRITORY/DUPLICATION OF SERVICES:

At first review it would appear that other special districts provide similar ambulance services within the proposed district boundaries. However, the type and level of service is different. Other districts that are authorized to provide ambulance service by Trinity LAFCO are: Trinity Center CSD, Coffee Creek Volunteer Fire District, Lewiston CSD and Hyampom CSD. Of these districts that provide ambulance service, all of them provide Basic Life Support (BLS) ambulance service. TCLS provides Advanced Life Support (ALS) level services. All four of these districts agree that the proposed district

compliments their services and does not detract from them. In addition, the Trinity County Fire Chief's Association has submitted a strong letter of support listing several reasons why the ambulance services provided by TCLS must continue. This also includes the training TCLS provides to Volunteer Fire Departments and First Responders in Trinity County. (Refer to attached letters of support: Exhibits D-1, D-2, D-3, D-4, D-5)

PROJECT EVALUATION:

The following discussion addresses those factors which must be considered by LAFCO pursuant to Section 56668 of the California Government Code. Many of the factors pertain to city or district annexations, or competition between cities and districts for undeveloped or unserved lands. This discussion only considers those factors which are germane to the formation of this Community Services District.

- (A) *Population; population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated area, during the next 10 years.*

Based on information obtained through the California Department of Finance (DOF), the estimated population of the County is currently 13,688. The DOF does not break down the county any further in a manner that is useful for this application. The estimated population within the proposed district may be around 10,000 (the proposed district includes all of the most populated areas of the county). The topography of the area can be described as mountainous with most of the population located in two prominent valleys and along the river corridors. The largest population centers are Junction City, Lewiston, Hayfork, Weaverville and Trinity Center. The area is likely to continue experiencing moderate growth in the foreseeable future. Tourism activities and seasonal residents contribute to an increase of the area's population in the late spring, summer and fall. There are no incorporated communities within the proposed district. A map and legal description (Exhibits B & C) identify the geographic area to be served. Introduction of cannabis farming may have resulted in some population increase, but in terms of this application, the change would be minor.

- (B) *Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.*

The proposal to form a Community Services District is the result of reduced emergency medical services available to the most populated area of the County. Considerable review of existing operations of TCLS reveals that the current ambulance service is operated efficiently and effectively, but cannot continue to operate without sustainable funding. As discussed earlier in this report, various

organizational options have been discussed and the result of this evaluation was to propose formation of a Community Services District. Discussions with other ambulance service providers in the area reveal support for TCLS's request to form a special district. The newly formed district would complement, not conflict with, other districts within the proposed service area.

- (C) *The effect of the proposed action and of alternative actions, on mutual social and economic interests, and on the local governmental structure of the county.*

As stated above, if the proposal fails, then TCLS will need to close or the County would need to become involved. All of the alternatives, discussed under the background section, also require a parcel assessment. The most likely alternative at this time would be for the County to seek formation of a County Service Area (CSA) to run the ambulance service or for Mountain Community Health Care District (Trinity Hospital) to add "ambulance service" to their list of authorized powers, expand their district boundaries to include all of the land area served by TCLS and seek approval of an additional parcel tax assessment. The cessation of ambulance service would have obvious social and economic impacts.

- (D) *The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development and with state policies and priorities set forth in Section 56377. (This section pertains to the conversion of open space lands to uses other than open space uses. "Open space uses" is defined in Section 56060 and references the definition contained in Government Code, Section 65560.)*

The formation of the proposed Trinity Life Support Community Services District (TLSCSD) will not conflict with adopted policies of the Commission. There is no conflict, or relationship to, planned land use within the proposed or recommended boundaries of the district. Formation of the district will have no effect on open space uses within the district.

- (E) *Effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined in Section 56016. (56016: "Agricultural lands" means land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program.)*

Not applicable. The proposal is to form a Community Services District with the sole authorized power of providing "ambulance" and related services. This action will have no effect on the use or integrity agricultural lands.

- (F) *The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.*

The proposed boundaries are generally described by aliquot parts or follow natural boundaries. No islands or corridors are created. The boundaries of the proposed district (Exhibits B & C) generally

match the boundaries of Post Mountain Public Utilities District plus Trinity Public Utilities District because this is the area currently served by Trinity County Life Support. The area further to the south (generally south of South Fork Mountain is served by Southern Trinity Area Rescue (STAR), the area west of approximately Del Loma is served by Hoopa Ambulance. This recommendation is supported by patient transport information provided by ambulance service providers. There are no islands created by the proposal (map, Exhibit B).

(G) *Consistency with the county general and specific plans.*

This section is not applicable to the formation of this district. The proposal is to form a Community Services Districts to provide ambulance services. Such a district will not provide for expanded growth in the manner that extension of utilities could facilitate.

(H) *The sphere of influence of any local agency that may be applicable to the proposal being reviewed.*

The proposed Trinity Life Support Community Services District (TLSCSD) will not conflict with the sphere of influence of any other district in the county, because no other local agency provides or is ever likely to provide "Advanced Life Support" (ALS) ambulance services. If such an unlikely conflict were to develop, it would be carefully evaluated at that time to ensure that continued ALS level services are available to the public. (Refer also to letter of support from Trinity County Fire Chiefs Association (Exhibit D-5)

(I) *Comments of any affected local agency.*

The Board of Supervisors of Trinity County submitted the application to form the TLSCSD. Four special districts which either do or once did provide some level of ambulance service within the proposed TLSCSD boundaries have responded to requests for comments and support from TCLS as part of this application. All four responded explaining their service level and offered support of the proposal (Exhibits D-1, D-2, D-3, D-4). No other agencies have submitted comments.

(J) *The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary changes.*

Refer to section labeled "Plan for Service" for a detailed review of this issue.

(K) *Timely availability of water supplies adequate for the projected needs as specified in Section 65352.5 (This section pertains to the coordination and consultation between land use and water supply agencies.)*

This section is not applicable to the formation of the Trinity Life Support Community Services District. Only "ambulance service" will be an authorized power.

- (L) *The extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the appropriate council of governments. (The California Department of Housing and Community Development makes this determination for Trinity County.)*

This section is not applicable to the formation of this district.

- (M) *Any information or comments from the landowner or owners.*

No comments have been received prior to preparation of this report. If comments are received they will be discussed in the Executive Officer's Report for the public hearing.

- (N) *Any information relating to existing land use designations.*

This section is not applicable to the formation of this district. Refer to discussion under section "G", above.

PLAN FOR SERVICES:

A plan for providing services is a required component of the application. This information was included in the application submitted as an attachment to the resolution submitted by the Trinity County Board of Supervisors. Elaboration of the plan was provided during discussions between TCLS and the Executive Officer.

The description of services, level and range of services, timing of providing those services (the district will be formed upon successful completion of the election and recordation of the Certificate of Completion by the Executive Officer), and a description of staffing, equipment and other factors needed to provide the service are discussed earlier in this report and in the application submitted with the Board resolution. The remaining issue is how the district will be financed.

The service area is approximately 1,383,800 acres.

TCLS maintains four ambulances in readiness, two staffed 24/7. TCLS current staffing is 20 people of which 17 are ambulance staff. 10 are full-time, working either 3 or 2 consecutive 24-hour shifts per week. The remaining 7 are part time. Management staff (2) are paramedics, each working part-time hours. There is just 1 staff member who is not an emergency responder, full-time position performing daily business, training center, and membership functions.

The two 24/7 ambulances are in Weaverville and Hayfork. Two reserve ambulances are in Weaverville, off-duty staffing called in when needed and available. Preferred ambulance staffing is one ALS and one BLS crew member. For the majority of 2017, it was common to only have 2 EMT's staffing the ambulance in Hayfork. This has resulted in a decreased level of service for the community. TCLS has struggled to recruit and retain ALS staffing due to non-competitive wage.

The ambulance staff are assigned a 24-hour shift with 16 hours of pay, the additional 8-hours are paid only if the sleep period is interrupted. Full-time employees work 3 consecutive 24-hour shifts. Fatigue, family stress, and being unpaid for 8 hours a shift adds difficulties in recruitment and retention.

TCLS currently provides 100% Blue Shield coverage to employee only, plus dental and vision coverage. Retirement benefit is a simple IRA plan with 3% employer match.

TCLS is moving to a General Manager structure. Currently transitioning in, General Manager Shawn Poore', Critical Care Flight Paramedic with almost 30 years in EMS, in both urban and rural systems, working 60% FTE primarily operational. Administrator/Paramedic Kathy Ratliff, 30+ years within Trinity County EMS, working 50% FTE primarily fiscal. Both respond on ambulances when needed for surge. Full-time managerial positions are needed but are not supported by current revenues.

The Weaverville Station has a 35-year lease with County of Trinity, beginning in 2009. The terms of the lease requires \$1 annually, TCLS is responsible for upkeep and maintenance. This facility has been renovated extensively with reserves and grants. The facility consists of office space, classroom, crew quarters and detached 3 bay-garage for ambulances, medical and disaster supplies. Discussion has been initiated with County of Trinity on the status of the lease upon TCLS restructure. The financial forecast and amount of the proposed parcel tax submitted with this proposal are based on continuance of the lease. (Exhibit "E")

Hayfork Station is a two-bedroom one bath house for on-duty Hayfork crew. This building is owned by TCLS and was paid off in 2014.

Ambulances are registered to County of Trinity. This practice began many years ago after a for-profit service pulled out of the area without notice, leaving the County uncovered and without resources. It has continued as a courtesy to TCLS for the benefit of Exempt status. Current ambulances:

2016 Mercedes Sprinter 4x4	66,350 miles	Weaverville First-Out
2013 Chevy 2500	135,000 miles	Hayfork First-Out
2007 Ford E350	178,680 miles	Weaverville Second-Out
2002 Ford E350	277,898 miles	Weaverville Third-Out (new engine/trans 93,664 miles)

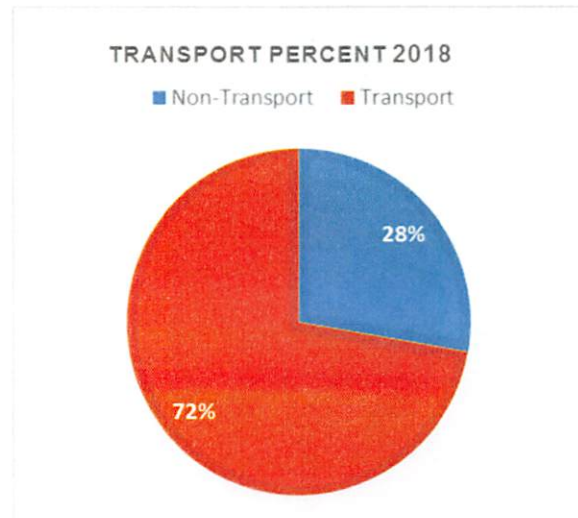
USDA Rural Development has granted 75% of the purchase price for 2018 Mercedes Sprinter for Hayfork, projected to arrive in September. The ambulances are currently listed as assets of County of Trinity. Title will transfer to Trinity County Life Support CSD upon formation with a Change of Ownership through DMV.

Ambulances are purchased with TCLS reserves and grants. Ambulance replacement occurs based on mileage and reliability. Ambulances rotate out of first-out status at 150,000 miles. First out ambulances travel an average of 30,000 miles annually. Second and third-out

mileage approximately 2,000-3000 miles per year.

TCLS call volume fluctuates slightly from year to year. Below are response statistics for the last three years. TCLS patient transport revenue is based on a stable call volume. Employer costs are rising steadily, while reimbursements remain static.

Location	2016	2017	2018
Coffee Creek	16	30	13
Douglas City	102	98	96
Downriver	35	37	32
Other	18	1	1
Hayfork	452	474	473
Hyampom	21	33	12
Junction City	59	71	50
Lewiston	128	143	145
Trinity Center	55	50	37
Weaverville	532	595	604
Wildwood	18	7	9
Total	1436	1539	1472

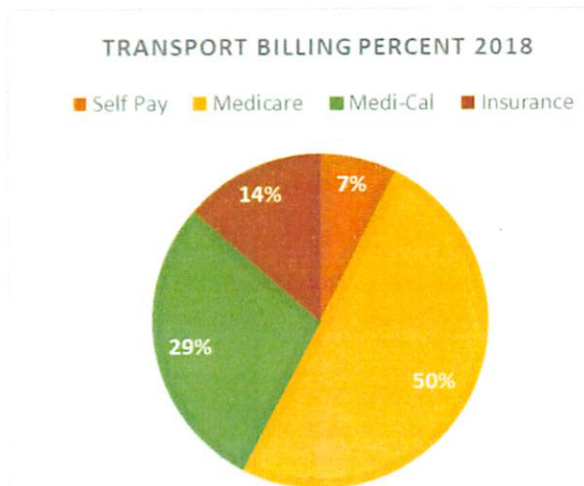


Non-transport calls result in pre-hospital care being provided with use of supplies, fuel and personnel time, and typically generate zero reimbursement. Roughly 28% of total responses will generate little to no reimbursement.

(Source: TCLS application, January 2019)

Financial Review:

“TCLS transport revenue comes from Medicare (50%), Medi-Cal (29%) Insurance (14%) and Private Pay (7%). These percentages remain stable for Trinity County, with the most notable change in the last 10+ years being a decrease in private pay/indigent and increase in Medi-Cal, attributed to the Affordable Care Act reducing Medi-Cal eligibility thresholds.



In rural service areas such as Trinity, ambulances are recognized as the primary access to medical care for families in poverty.

Government programs provide limited funds (Maddy) for indigent care, assisting physicians and hospitals. Ambulances are excluded.

Note the high percentages of Medi-Cal and

Medicare patients.

Medicare and Medi-Cal pay a fixed rate, less than the cost of providing service, resulting in unreimbursed costs.

“Listed below is detail on Patient billing for the period July 1, 2017 to June 30, 2018:

Payments	Responsible Party	# Patients Billed	Cost to Serve	Unreimb Cost
\$20,251	010 -Self Pay	88	\$82,600	(\$62,349)
\$53,511	020 -Medicare	75	\$70,397	(\$16,886)
\$116,903	021 -Medicare-Medi-Cal	220	\$206,499	(\$89,596)
\$166,191	022 -Medicare/Insurance	206	\$193,358	(\$27,167)
\$12,708	030 -Medi-Cal Fee for Service	34	\$31,913	(\$19,205)
\$48,711	030 -Medi-Cal Managed Care	247	\$231,842	(\$183,131)
\$220	033 -Medi-Caid Other State	2	\$1,877	(\$1,657)
\$3,040	034 -Insurance/Medi-Cal	1	\$939	\$2,101
\$43,980	040 -Commercial Insurance	54	\$50,686	(\$6,706)
\$118,906	050 -Blue Cross	47	\$44,116	\$74,790
\$58,780	051 -Blue Shield	27	\$25,343	\$33,437
\$9,585	060 -Third Party Liability	6	\$5,632	\$3,953
\$12,450	070 -Workers Comp	10	\$9,386	\$3,064
\$665,236		1017	\$954,588	(\$289,352)

“The CSD structure provides direct access to government reimbursement of Medi-Cal fee for service shortfalls through Ground Emergency Medical Transport (GEMT). Potential exists for government reimbursement of Medi-Cal managed care shortfalls through Inter-Governmental Transfer (IGT).

“TCLS is a public safety training facility, serving the public and the volunteer fire departments. We have a rich history of providing training to our volunteers at no to low cost. Support of the volunteer system is an essential function for Trinity County Emergency Services.

“TCLS teaches community level first aid and CPR, Public Safety First Aid (entry level minimum for volunteers), Emergency Medical Responder, Emergency Medical Technician (EMT). We train more than 300 people in public safety courses annually.

“Below is six years data on ordinary income and expense, grants, and cash flow. Through 2016 the figures are from Tax Form 990. Year 2017 from unaudited actuals. Year 2018, short year January to June to transition fiscal year. 2018-19 mid-year projection. Years

2014, 2017 and 2018-19 are ambulance replacement years.

ACCRUAL	2014 Form 990	2015 Form 990	2016 Form 990	2017 Unaudited	2018 Short year	2018-19 Projection
PATIENT INCOME	\$560,922	\$631,081	\$642,538	\$661,402	\$343,895	\$661,500
MEMBERSHIPS	\$41,329	\$46,360	\$63,445	\$61,635	\$23,310	\$64,585
COMMUNITY OUTREACH	\$21,219	\$11,175	\$15,445	\$21,613	\$17,518	\$21,250
FIRE CAMP	\$0	\$143,741	\$0	\$118,640	\$0	\$80,675
COUNTY SUBSIDY	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000
COUNTY IGT REIMB	\$0	\$119,237	\$43,757	\$58,693	\$0	\$60,223
TOTAL OP INCOME	\$678,470	\$1,006,594	\$820,185	\$976,983	\$439,723	\$943,233
EMPLOYEE EXPENSE	\$55,673	\$55,672	\$62,319	\$59,821	\$33,206	\$92,680
OPERATING EXPENSE	\$166,315	\$185,079	\$213,003	\$169,111	\$77,576	\$196,737
PAYROLL EXPENSE	\$502,472	\$581,684	\$629,797	\$704,580	\$350,283	\$742,863
TOTAL OP EXPENSE	\$724,460	\$822,435	\$905,119	\$933,512	\$461,065	\$1,032,280
NET OPERATING INCOME	-\$45,990	\$184,159	-\$84,934	\$43,471	-\$21,342	-\$89,047
NON- OP INCOME						
INTEREST EARNED	\$298	\$513	\$787	\$756	\$424	\$700
GRANTS	\$80,498	\$28,224	\$0	\$13,989	\$0	\$84,460
NET NON-OP INCOME	\$80,796	\$28,737	\$787	\$14,745	\$424	\$85,160
NET OP INCOME	\$34,806	\$212,896	-\$84,147	\$58,216	-\$20,918	-\$3,887
PRIOR YEAR ADJUSTMENTS	\$38,649	-\$11,435	\$46,113			
ADJUSTED INCOME	\$73,455	\$201,461	-\$38,034	\$58,216	-\$20,918	-\$3,887
LESS CASH EXPENDED						
GRANT SUPP, EQ, CONT	\$53,039	\$38,641		\$15,004		
EQUIP/CAPITAL ITEMS				\$113,700		\$114,659
REPL/ADD TO PROPERTY		\$5,886				
INTEREST PAYMENTS LOANS	\$16					
PRINCIPAL PAYMENTS LOANS	\$1,066					
GRANTS/EQUIP/FACILITIES	\$54,121	\$44,527	\$0	\$128,704	\$0	\$114,659
BEGINNING CASH BAL	\$292,191	\$311,525	\$468,459	\$430,425	\$359,937	\$339,019
ENDING CASH BAL	\$311,525	\$468,459	\$430,425	\$359,937	\$339,019	\$220,473
NET INCREASE/DECREASE	\$19,334	\$156,934	-\$38,034	-\$70,488	-\$20,918	-\$118,546

“Ordinary operating income exceeds expense and will continue to do so. Reserves, built carefully, are being used to protect service levels rather than address deferred maintenance and needed equipment updates.

“California minimum wage law requires significant increases over the next 5 years that result in devastating budget deficits. With our current stable income base, the only way to meet

these increases is to reduce staffing and service levels or seek additional revenue sources.

(Source: TCLS application, January 2019)

Revenue Needs:

“TCLS requires \$ 1,100,000 in income to continue in current configuration, which presumes:

- Shift schedule that requires ambulance staff to work 24 hours and be paid for 16 unless their sleep period interrupted.
- Continued unstaffed full-time fiscal/administrative position (CEO deleted in 2005) with fiscal and administrative duties falling to Operations, added to responsibilities of safety, training, ambulance operations, and working ambulance shifts.

“This worked in the early years, but crisis management is impacting the reliability of service we can provide the community.

“The amount of the assessment addresses needs listed below for true stabilization of ambulance operations, rather than continue in a mode that is no longer viable. The proposed parcel tax of \$68 stabilizes and improves service to the community by:

- Move to a 48/96 shift structure with 24-hour pay, reducing fatigue, family stress, and improving staff recruitment and retention.
- The 48/96 adds four full-time medical staff (from 8 to 12 FTE) to improve capabilities for on call, second-out response, and disaster resources.
- Restoration of a full-time management position for improved function and oversight Improvement of training and the pursuit of long-time goals including Critical Care Certification and Community Paramedic.
- Improved ability to support volunteer fire department programs of training, a crucial part of our community service, and one that we are struggling to maintain at low cost.

Other factors include:

- Escalating California minimum wage - \$15.00/hour in 2023. This is nearly beginning pay for existing paramedics with a great deal more

training and responsibility. Applying this increase across the salary schedule would make pay rates extremely high.

- The salary schedule has been discontinued, with annual increases as approved by the Board of Directors.
- A reasonable range of salary for EMTs and Paramedics from zero experience to ten – fifteen years has been configured based on averages at other services. It does not quite compete with Redding area services, which are quite inflated due to their unions. It does, however, give TCLS the ability to recruit and retain employees, especially locally, with some room for adjustment.
- This was projected out multiple years to gain a long-term stability from the proposed tax.
- TCLS has some catching up to do in ambulance replacement, and the first years of the tax enable us to complete needed replacements with implementation of the 48/96 schedule in FY 2021/22.
- As salaries, benefits and cost of doing business continue to rise and ambulance revenues stay stagnant based on population, operations are ensured.
- TCLS will need to write grants for ambulances and equipment in the future, and continue staffing fire camps for extra revenue, but adequate staffing can be secure for long-term.

Assessment:

“The Assessor’s Office has calculated the total number of parcels within the proposed district to be 9,960 (5,685 developed; 4,275 undeveloped). Applying an assessment of \$68.00 per parcel would result in approximately \$677,280 in revenue (9960 parcels x \$68/parcel = \$677,280).

“The TCLS board of directors studied various ways of applying the assessment to achieve the needed amount of revenue. The TCLS board’s opinion after considerable discussion was that the high numbers of undeveloped parcels make a reduced rate for those parcel owners nominal at best to stabilize service while maintaining \$68 for homeowners and businesses. With the majority of the board members in favor of continuing with a flat \$68/parcel, discussion of actions possible for community good-will in the event of very good years with overages. This discussion included the fact that TCLS must catch up on needed ambulance replacements for efficiency and safety.

“Options discussed were a reduction in the tax as modeled by Mountain Community Healthcare District, membership or reduced ambulance rates for taxpayers, and increased support for volunteer fire departments in training, medical equipment and supplies.

“TCLS very much shares the concern that multi-parcel owners may oppose. If the measure fails, we have no reserves left to operate. Seeking options for this while working toward the steps and outreach needed for a successful measure.

“We did look at information from State Controller's Office FY 2016-17, data for similar services and from areas with a similar parcel count.

Mendocino County	Amb/EMS	6,346 parcels	Imp: \$132	Unimproved: \$44
Eldorado #3	Amb/EMS	2,142 parcels	Flat \$100	
Lone Pine	Amb/EMS	827 parcels	Flat \$100	
Penn Valley	Amb/EMS	6,526 parcels	Imp only: \$55-\$109	
NL Tahoe	Amb/Fire	11,293 parcels	Imp only: \$215-\$646	
El Dorado George	Amb/Fire	2,317 parcels	Flat \$35	
El Dorado Lake Val	Amb/Fire	8,276 parcels	Flat \$40	
Monterey	Amb/Fire	4,337 parcels	Imp: \$150	Unimproved: \$75
San Luis Obispo	Amb/Fire	142 parcels	Flat \$55	
Placer Forest Hill	Amb/Fire	2,277 parcels	Flat \$121	
Fort Bragg Fire	Fire	8,946 parcels	Flat \$47.50	

“Further discussion resulted in the Board voting to continue as planned with a \$68 flat parcel tax due to the need to secure a proper amount to stabilize for long-term operations and not go back to voters for an increase.”

(Source: TCLS, June 2019)

FIVE YEAR PROJECTIONS

(next five pages)

	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
ORDINARY INCOME/EXPENSE						
INCOME						
AMBULANCE						
Ambulance Transport	\$657,000	\$663,570	\$663,902	\$664,234	\$664,566	\$664,898
Ambulance Standby	\$250	\$500	\$0	\$0	\$0	\$0
Collections	\$5,751	\$5,750	\$5,000	\$5,000	\$5,000	\$5,000
Refunds		\$0	\$0	\$0	\$0	\$0
TOTAL AMBULANCE REVENUE	\$663,001	\$669,820	\$668,902	\$669,234	\$669,566	\$669,898
MEMBERSHIP						
Ground Membership	\$8,500	\$7,000	\$7,000	\$7,000	\$6,000	\$6,000
Alliance Membership	\$112,170	\$112,785	\$113,000	\$113,000	\$115,000	\$115,000
Alliance Disbursement	-\$56,085	-\$55,200	-\$55,200	-\$55,200	-\$55,200	-\$55,200
TOTAL MEMBERSHIP REVENUE	\$64,585	\$64,585	\$64,800	\$64,800	\$65,800	\$65,800
COMMUNITY OUTREACH						
Donations	\$150					
Fundraising						
Education Outreach	\$21,000	\$21,000	\$22,000	\$22,000	\$23,000	\$23,000
TOTAL COMMUNITY OUTREACH	\$21,150	\$21,000	\$22,000	\$22,000	\$23,000	\$23,000
AMBULANCE DISTRICT TAX						
Ambulance District Tax	\$0	\$0	\$677,280	\$677,280	\$677,280	\$677,280
	\$0	\$0	\$677,280	\$677,280	\$677,280	\$677,280
FIRE CAMP REVENUE						
Fire Camp Contract	\$80,675	\$0	\$0	\$0	\$0	\$0
	\$80,675	\$0	\$0	\$0	\$0	\$0
OTHER INCOME/REIMBURSEMENT						
Subsidy County of Trinity		\$55,000	\$55,000	\$55,000	\$55,000	\$55,000
Reimbursement IGT	\$60,223	\$60,223	\$0	\$0	\$0	\$0
Reimbursement GEMT	\$0	\$0	\$9,000	\$18,000	\$18,720	\$19,469
Reimbursement GEMT QAF	\$61,382	\$49,105	\$49,105	\$49,105	\$49,105	\$49,105
TOTAL OTHER INC/REIMB	\$121,605	\$164,328	\$113,105	\$122,105	\$122,825	\$123,574
TOTAL REVENUE	\$951,016	\$919,733	\$1,546,087	\$1,555,419	\$1,558,471	\$1,559,552

EXPENSE**EMPLOYEE BENEFITS**

Awards/Recognition	\$1,000	\$2,000	\$3,000	\$3,600	\$3,000	\$3,600
Licenses & Certifications	\$2,700	\$2,700	\$3,500	\$5,000	\$3,500	\$5,000
Labs & Physicals	\$2,400	\$3,500	\$5,000	\$5,000	\$5,200	\$5,200
Health Insurance	\$67,000	\$56,000	\$67,000	\$89,500	\$91,290	\$93,116
Dental & Vision Insurance	\$4,580	\$5,500	\$7,000	\$8,064	\$8,225	\$8,390
EMS Training/Meetings	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Uniforms	\$3,500	\$6,000	\$5,600	\$6,800	\$6,800	\$6,800
EMPLOYEE BENEFITS TOTAL	\$86,180	\$80,700	\$96,100	\$122,964	\$123,015	\$127,106

OPERATING EXPENSE**COMMUNITY OUTREACH**

Education Outreach	\$6,500	\$6,500	\$7,500	\$7,500	\$7,500	\$7,500
Fire Camp Expense	\$868	\$0	\$0	\$0	\$0	\$0

COMMUNITY OUTREACH TOTAL

\$7,368	\$6,500	\$7,500	\$7,500	\$7,500	\$7,500
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DISTRICT ADMIN

Legal	\$5,000	\$0	\$500	\$0	\$0	\$0
Audit	\$0	\$0	\$6,950	\$6,950	\$6,950	\$6,950
Elections	\$0	\$25,000	\$3,000	\$3,000	\$0	\$3,000
Admin Training	\$0	\$0	\$1,200	\$1,200	\$1,200	\$1,200
Tax Administration	\$0	\$0	\$0	\$0	\$0	\$0

PROF SERVICE TOTAL

\$5,000	\$25,000	\$11,650	\$11,150	\$8,150	\$11,150
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PROFESSIONAL FEES

Accounting	\$3,000	\$2,640	\$2,640	\$2,640	\$2,772	\$2,772
Advertising	\$0	\$4,000	\$200	\$200	\$200	\$200
Dues & Subscriptions	\$5,200	\$5,200	\$6,000	\$6,000	\$6,000	\$6,000
Bank Fees	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

ADMIN FEES TOTAL

\$9,200	\$12,840	\$9,840	\$9,840	\$9,972	\$9,972
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AMBULANCE EXPENSE

Ambulance Billing	\$29,565	\$29,860	\$31,535	\$31,551	\$31,567	\$31,583
Patient Care Reporting	\$2,259	\$2,400	\$3,000	\$3,000	\$3,000	\$3,000
GEMT QAF	\$22,633	\$18,106	\$18,106	\$18,106	\$18,106	\$18,106
Ambulance Fuel	\$17,500	\$17,500	\$17,850	\$18,207	\$18,571	\$18,943
Communications	\$3,000	\$3,000	\$3,000	\$8,000	\$5,000	\$5,000
Oxygen	\$2,200	\$2,200	\$3,200	\$3,200	\$3,400	\$3,400
Medical Supplies	\$33,000	\$33,000	\$33,000	\$33,000	\$34,000	\$34,000
Medical Equipment	\$2,000	\$2,000	\$2,000	\$20,000	\$5,000	\$5,000
Ambulance Licensing	\$267	\$267	\$267	\$267	\$267	\$267

Fleet Maintenance	\$20,000	\$20,000	\$24,000	\$22,000	\$22,000	\$22,000
AMBULANCE EXPENSE						
TOTAL	\$132,424	\$128,333	\$135,958	\$157,331	\$140,911	\$141,298
INSURANCE						
Auto/Liability Insurance	\$4,650	\$4,888	\$4,792	\$4,888	\$4,986	\$5,085
Property Insurance	\$12,111	\$12,111	\$12,474	\$12,849	\$13,234	\$13,631
Student Liability Insurance	\$460	\$460	\$500	\$500	\$500	\$500
INSURANCE TOTAL	\$17,221	\$17,459	\$17,766	\$18,237	\$18,720	\$19,217
HAYFORK STATION						
Repair & Maint EMS	\$2,000	\$1,000	\$2,000	\$5,000	\$3,000	\$3,000
Property Tax	\$86	\$86	\$178	\$178	\$178	\$178
HAYFORK STATION TOTAL	\$2,086	\$1,086	\$2,178	\$5,178	\$3,178	\$3,178
WEAVERVILLE STATION						
Repair & Maint EMS	\$2,400	\$1,600	\$1,500	\$3,000	\$3,000	\$3,000
Repair & Maint Admin	\$0	\$0	\$400	\$1,200	\$500	\$500
Property Tax	\$0	\$0	\$92	\$92	\$92	\$92
WEAVERVILLE STATION TOTAL	\$2,400	\$1,600	\$1,992	\$4,292	\$3,592	\$3,592
EQUIPMENT & FURNITURE						
Computer Admin	\$0	\$0	\$0	\$2,000	\$500	\$500
Computer EMS	\$1,425	\$1,425	\$1,000	\$5,000	\$2,000	\$1,000
Copy Machine	\$5,958	\$5,958	\$5,958	\$6,256	\$6,256	\$6,256
Grounds	\$200	\$200	\$400	\$2,500	\$500	\$500
Furniture	\$0	\$0	\$1,000	\$2,000	\$2,000	\$2,000
EQUIP & FURN TOTAL	\$7,583	\$7,583	\$8,358	\$17,756	\$11,256	\$10,256
SUPPLIES						
Promotional	\$0	\$400	\$600	\$600	\$600	\$600
Office	\$2,800	\$2,800	\$2,856	\$2,913	\$2,971	\$3,031
Station/Household	\$1,800	\$1,800	\$2,000	\$2,400	\$2,400	\$2,448
Postage	\$1,200	\$2,000	\$2,200	\$2,200	\$2,200	\$2,200
SUPPLIES TOTAL	\$5,800	\$7,000	\$7,656	\$8,113	\$8,171	\$8,279
UTILITIES						
Telephone	\$3,600	\$2,600	\$2,652	\$2,705	\$2,759	\$2,814
Water/Sewer	\$1,500	\$1,500	\$1,530	\$1,561	\$1,592	\$1,624
Cable	\$1,500	\$1,500	\$1,530	\$1,530	\$1,570	\$1,570
Solid Waste	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300

Propane/Kerosene	\$1,200	\$1,200	\$1,224	\$1,248	\$1,273	\$1,299
Electric	\$5,000	\$5,000	\$5,100	\$5,202	\$5,306	\$5,412
UTILITIES TOTAL	\$14,100	\$13,100	\$13,336	\$13,546	\$13,800	\$14,019
OPERATING EXPENSE TOTAL	\$203,182	\$220,501	\$216,235	\$252,943	\$225,251	\$228,461
PAYROLL EXPENSE						
WAGES	\$589,000	\$550,000	\$644,123	\$732,000	\$765,800	\$794,000
Holiday Ambulance	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Teaching Wages	\$14,000	\$14,000	\$15,120	\$16,330	\$17,636	\$18,870
Fire Camp Wages	\$18,728	\$0	\$0	\$0	\$0	\$0
Vacation Wages	\$13,000	\$12,000	\$14,000	\$15,120	\$16,330	\$17,473
Sick Wages	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000
WAGES TOTAL	\$642,728	\$584,000	\$682,243	\$772,450	\$808,766	\$839,343
PAYROLL CONTRIBUTIONS						
IRA Contributions	\$15,885	\$14,000	\$19,897	\$22,570	\$23,623	\$24,506
Mileage Duty Station	\$10,000	\$10,000	\$10,000	\$0	\$0	\$0
Mileage Fire Camp	\$0	\$0	\$0	\$0	\$0	\$0
PAYROLL CONTRIB TOTAL	\$25,885	\$24,000	\$29,897	\$22,570	\$23,623	\$24,506
PAYROLL TAXES						
ETT	\$150	\$150	\$150	\$150	\$150	\$150
FICA	\$35,800	\$35,800	\$42,299	\$47,892	\$50,143	\$52,039
Medicare	\$8,300	\$8,300	\$9,893	\$11,201	\$11,727	\$12,170
SUI	\$3,000	\$3,000	\$2,729	\$3,090	\$3,235	\$3,357
PAYROLL TAXES TOTAL	\$47,250	\$47,250	\$55,071	\$62,332	\$65,256	\$67,717
W Comp Non-EMS		\$0	\$0	\$0	\$0	\$0
W Comp EMS	\$26,000	\$30,000	\$34,112	\$61,796	\$64,701	\$83,934
	\$26,000	\$30,000	\$34,112	\$61,796	\$64,701	\$83,934
PAYROLL EXPENSE TOTAL	\$741,863	\$685,250	\$801,323	\$919,148	\$962,346	\$1,015,501
TOTAL EXPENSE	\$1,031,225	\$986,451	\$1,113,658	\$1,295,054	\$1,310,611	\$1,371,067
Net Ordinary Income	-\$80,209	-\$66,718	\$432,429	\$260,364	\$247,859	\$188,485
4110 · Interest Earned	\$1,100	\$400	\$400	\$1,000	\$1,000	\$1,000

Grant Ambulance Replacement	\$0	\$84,640	\$0	\$0	\$0	\$0
Total Other Income	\$1,100	\$85,040	\$400	\$1,000	\$1,000	\$1,000
Other Expense						
Grant Expense	\$0	\$0	\$0	\$0	\$0	\$0
Contr to Ambulance Savings		\$0	\$0	\$50,000	\$0	\$50,000
Contr to Deferred Maint		\$0	\$5,000	\$10,000	\$5,000	\$5,000
Ambulance Purchase	\$0	\$114,659	\$120,000	\$0	\$120,000	\$0
Total Other Expense	\$0	\$114,659	\$125,000	\$60,000	\$125,000	\$55,000
Net Other Income	-\$79,109	-\$96,337	\$307,829	\$201,364	\$123,859	\$134,485

(Source: TCLS updated, June 2019)

“After the formation of the CSD, the board would not make drastic changes to our basic service level. The new district will continue to operate 2 ambulances daily, one stationed at our quarters in Hayfork and one stationed at Weaverville. Each ambulance would be staffed with a Paramedic and an Emergency Medical Technician. All current ambulance personnel would be given an increase in pay and moved to a 48/96 shift schedule (two 24-hour shifts, followed by four off). To accomplish this we would need to hire additional personnel.

“The district would make both of the management positions full time. They are currently part time due to the limited budget. These two positions are vitally important to maintaining a well-trained, patient care-oriented service. The General Manager will be responsible for the daily operations and organizational training. The Administrator will be able to focus on the financial health of the organization including fund raising and grant writing. These vital functions to the organization are being done as part time employees which results in a crisis management.”

(Source: TCLS application, January 2019)

PROPERTY TAX EXCHANGE/APPROPRIATIONS LIMIT:

Section 56375 (o) gives LAFCO the duty to do the following: “If the proposal includes the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56810.” Section 56810 pertains to the procedures for making this determination which relates to the revenue being collected by “existing service providers”. However, since there are no other local agencies providing this level of ambulance services to the area, there will be no transfer of property taxes to the newly formed district. The other districts providing only “Basic Life Support” services which currently coordinate with TCLS and will continue to do so after the new district is formed. There will be no transfer of services from any other district to the newly formed Trinity Life Support Community Services District.

Section 56811 requires the Commission to determine the appropriations limit of the district in accordance with Section 7902.7 and Article XIII B of the California Constitution. The provisional amount will be equal to the amount raised through a special tax, approximately \$677,280. Changes in the assessment may only be obtained as provided by law. The proposed assessment will require approval by registered voters within the proposed district.

ELECTION:

The resolution submitted for the Commission's consideration includes a condition stating that: 1) the formation is subject to voter confirmation; 2) the district board of directors will be elected at-large; and 3) that the formation is subject to voter approval of a special tax designed to generate approximately \$677,280 per year.

TERMS AND CONDITIONS:

Since no action will be taken during the workshop, this section will be completed for the public hearing resolution.

SPHERE OF INFLUENCE:

The Executive Officer is recommending that the district's Sphere of Influence be coterminous with the district's boundary (a 'zero' sphere). The district boundaries and Sphere of Influence will be nearly the same service area served by TCLS since 1993. There appears to be no indication that the district will expand in the foreseeable future. A Municipal Service Review will be conducted for the district ambulance service in approximately five years, unless needed sooner, and an evaluation of the district's Sphere of Influence will be reviewed at that time.

CONDUCTING AUTHORITY:

Since no action will be taken during the workshop, this section will be completed for the public hearing resolution.

ENVIRONMENTAL DETERMINATION:

The formation of the proposed Trinity Life Support Community Services District (TLSCSD) is exempt from CEQA based on the following:

All services and improvements associated with the proposal already exist (CCR, Sec.15301). No new buildings, other improvements or expansion of services or any other action which has the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect change in the environment are anticipated as a result of this proposal. Future proposals for capital improvements made by the newly formed district would be subject to appropriate review at that time. Further, the proposal is exempt because the proposal would result in the continued operation of existing ambulance facilities (CCR, Sec. 15320). LAFCO's review considers the area actually served by the current ambulance service with the goal of maintaining that service area within the proposed district. A categorical exemption will be prepared.

EXECUTIVE OFFICER'S RECOMMENDATION:

The Executive Officer recommends that at the conclusion of the workshop the Commission provide any direction regarding additional information, elaboration of existing information or other direction that the Commission would like to provide to facilitate a successful public hearing.

The public hearing is scheduled for Tuesday, September 17, 2019 at 4:00pm in the library meeting room in Weaverville. Legal notice will be published in the Trinity Journal. It is anticipated that notice and meeting materials will also be available on the nearly operational website at www.trinitylafco.org

RESOLUTION NO. 2019-032

**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF TRINITY
REQUESTING THE LOCAL AGENCY FORMATION COMMISSION
TO TAKE PROCEEDINGS FOR THE FORMATION OF COMMUNITY SERVICES
DISTRICT TO SUSTAIN AMBULANCE SERVICES**

WHEREAS, Trinity County Life Support (TCLS) has provided advanced life support pre-hospital care and transport to the communities of Big Bar, Coffee Creek, Douglas City, Junction City, Hayfork, Hyampom, Lewiston, Post Mountain, Trinity Center, Weaverville and Wildwood as a non-profit public service corporation since 1993; and

WHEREAS, TCLS is operating in budgeted deficit to protect current service levels due to substantial uncompensated costs, with rising cost of wages, health insurance, medical supplies and equipment not sustainable by current and projected revenues; and

WHEREAS, Trinity County believes there is a tremendous benefit to the citizens of Big Bar, Coffee Creek, Douglas City, Junction City, Hayfork, Hyampom, Lewiston, Post Mountain, Trinity Center, Weaverville and Wildwood to have a fully funded and properly operating ambulance service; and

WHEREAS, study of options for stabilization of ambulance service with outside consultants and participants including LAFCO, County representatives, and potential contract partners of existing local special districts have resulted in a recommendation to form a special district to sustain ambulance service by

- a) direct access to government reimbursement of uncompensated costs; and
- b) assessment of a voter-approved parcel tax; and

WHEREAS, the TCLS Board of Directors and Management took action to preserve and stabilize advanced life support service levels, the most viable solution to stabilize ambulance service is a restructure from non-profit organization to community service district; and

WHEREAS, the Trinity County Board of Supervisors desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for the formation of Trinity County Life Support Community Services District; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Trinity, State of California:

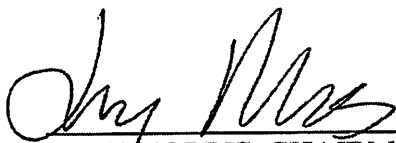
A proposal to form a new district will be made to Trinity County LAFCO containing the following terms and conditions:

EXHIBIT A

- (1) The proposed district be authorized to provide the following services:
 - a. Provision of ambulance service
 - b. Provision of public safety education;
- (2) The proposed service area is contained in Attachment A.
- (3) The proposed methods the district will use to finance those services is a voter approval of an annual \$68 special parcel taxes;
- (4) Propose a name for the district is Trinity Life Support Community Service District;
- (5) Specify the method of selecting the initial board of directors, as provided in Chapter 1 (commencing with Section 61020) of Part 2 shall be at large.

DULY PASSED AND ADOPTED this 2ND day of April, 2019 by the Board of Supervisors of the County of Trinity by motion, second (Chadwick/Fenley), and the following vote:

AYES: Supervisors Fenley, Chadwick, Groves, Brown and Morris
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None



JUDY MORRIS, CHAIRMAN
Board of Supervisors
County of Trinity
State of California

ATTEST:

RICHARD KUHNS, Psy.D,
Clerk of the Board of Supervisors

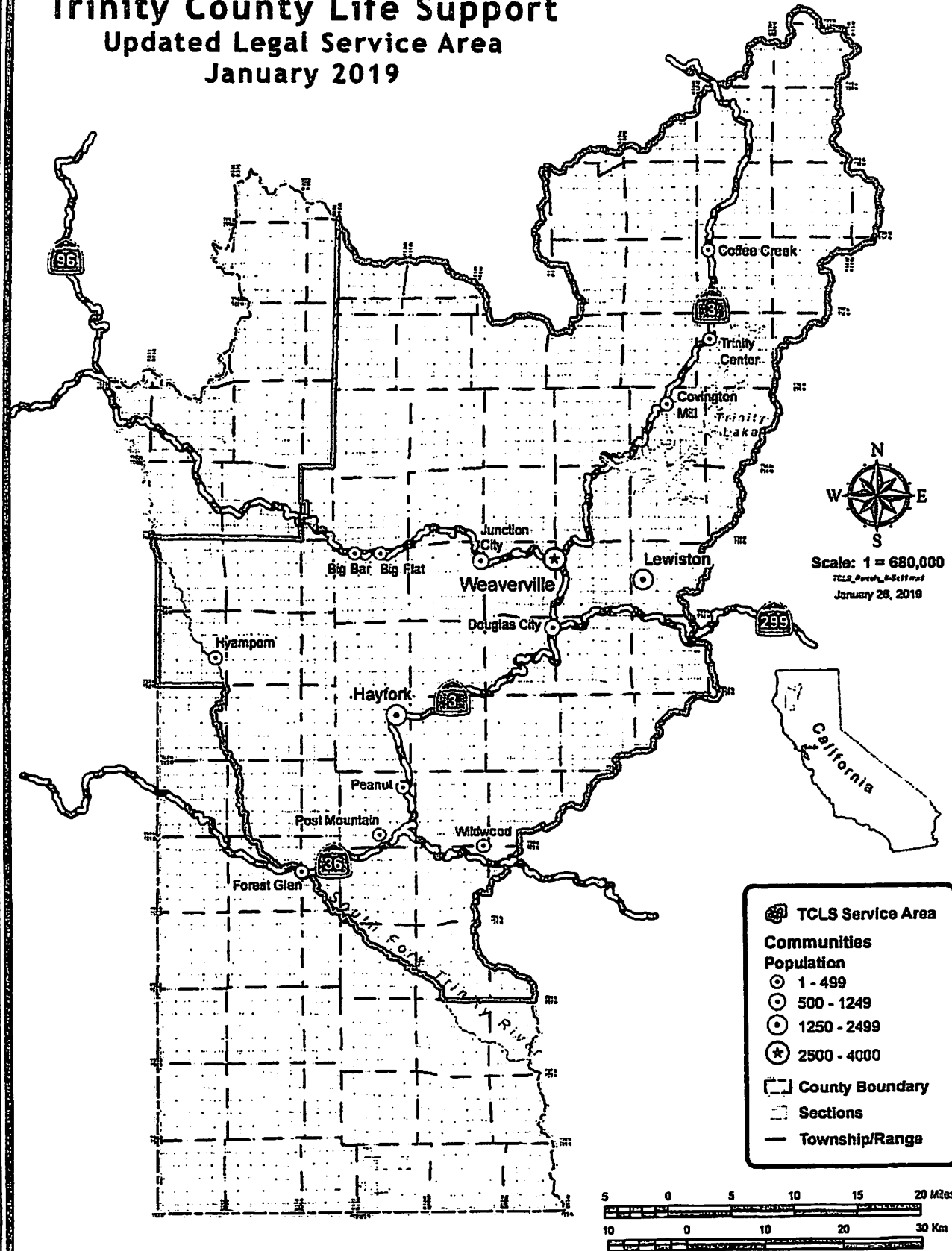
By:  Deputy

The foregoing is a correct copy of the original instrument on file in this office.

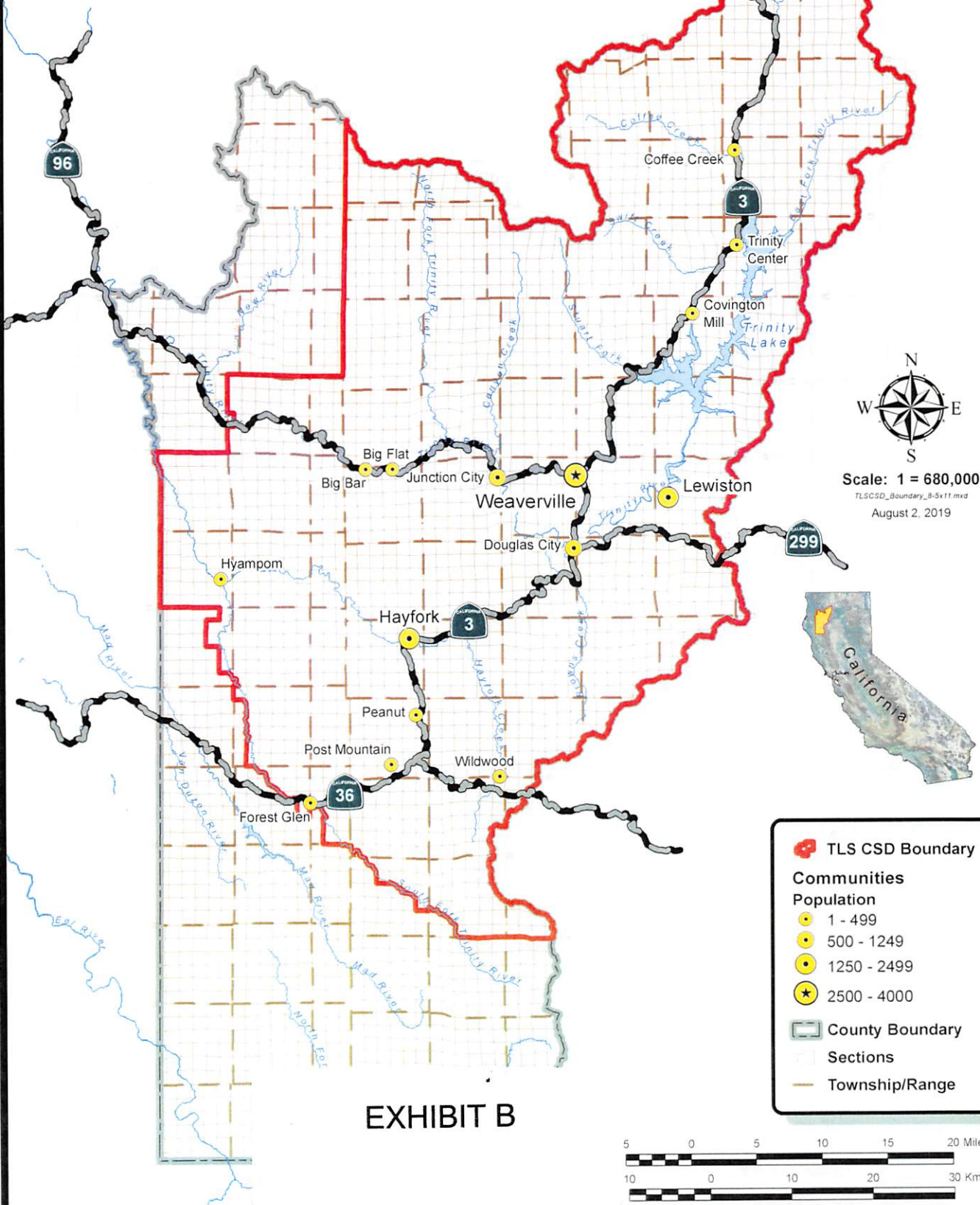
Attest: **Richard Kuhns, Psy.D**
Clerk of the Board of Supervisors of the County of Trinity, State of California,

By:  Deputy

Trinity County Life Support Updated Legal Service Area January 2019



Trinity Life Support CSD Boundary

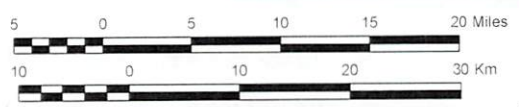


Scale: 1 = 680,000
 TLSCSD_Boundary_8-5x11.mxd
 August 2, 2019



	TLSCSD Boundary
Communities	
Population	
	1 - 499
	500 - 1249
	1250 - 2499
	2500 - 4000
	County Boundary
	Sections
	Township/Range

EXHIBIT B



Legal for Trinity Life Support CSD

Tract 1

All of Trinity County

Excepting therefrom all that portion lying north and west of the following described line.
Beginning at the intersection of the West boundary of Trinity County and the South line of Township 5 North H.M.
Thence East along said south line to Southwest corner of Section 31 of Township 5 North Range 7 East,
Thence North along the west line of section 31, 30, to the Southwest corner of Section 19 Township 5 North Range 7 East.
Thence East along said South line to the South quarter corner of said Section 19.
Thence North along the midsection line of said Section 19 to the North quarter corner of said Section 19.
Thence West along the North line of said Section 19 to the Northwest corner thereof.
Thence North along the West line of Sections 18, 7 and 6 to the North line of said Township 5 North,
Thence East along said North line of Township 5 North to the East line of Range 8 East H.M.
Thence North along said East line to the intersection of the North line of Trinity County.

Also excepting all that portion lying South and West of the following described line.

Beginning at the intersection of the West line of Trinity County and the South line of Township 3 North, H.M.;
Thence East along said South line to the intersection of the centerline of the South fork of the Trinity River:
Thence Southerly and Easterly along said centerline to the South line of Township 28 North M.D.B.M.;
Thence East along said South line to the East Boundary of Trinity County.

Tract 2

Sections 1, 11, 12, 13, 14, 24, 25, Township 2 North, Range 6 East H.M.
Sections 6, 8, 29, 32, Township 1 North, Range 7 East H.M.
Sections 13, 24, Township 1 South, Range 7 East H.M.
Sections 18, 29, 32, 33, Township 1 South, Range 8 East H.M.
Sections 9, 24, Township 28 North, Range 12 West M.D.B.M.



EXHIBIT C

**TRINITY CENTER COMMUNITY
SERVICES DISTRICT
P.O. BOX 177
Trinity Center, California 96091**

RECEIVED

May 7, 2019

MAY 15 2019

TRINITY COUNTY
PLANNING DEPARTMENT

Mr. John Jelichich
Executive Officer
Trinity County LAFCo
PO Box 1445
Weaverville, CA 96093

Re: Statement of No Conflict or Competition

Dear Mr. Jelichich:

The Trinity Center Community Services District board of directors has determined that there is no conflict or competition between services provided by Trinity Center CSD and the services to be provided by the proposed Trinity Life Support Community Services District.

Trinity Center CSD staffs a Volunteer Fire Department that provides BLS (basic life support) and ALS (advanced life support) ambulance and first responder service to its service area on a volunteer basis. Our funding level supports providing this service in our district without the costs to transport patients all the way to medical facilities in Weaverville or Redding. Moreover, we only have one paramedic, meaning that our service is often provided at the BLS level.

Trinity County Life Support (TCLS) currently provides ALS service on virtually all calls to our district, meaning that a higher level of care is available to patients in our area. Moreover, TCLS is able to bill for services, and thus is better able to provide transportation all the way to medical facilities.

Trinity Center CSD would have to provide transportation services all the way to medical facilities at significantly higher cost than when patients transfer to TCLS' care. Two likely effects of not having TCLS available to us are (a) our district may have to do its own property assessment to cover the increased costs of transportation and training, and perhaps even initiate patient billing with its own overhead; and (b) we would most likely have difficulty recruiting volunteers willing to expend their personal time driving to Weaverville and Redding, which may lead to having to either abandon EMS services or initiate a paid employee model at dramatically higher cost.

Please feel free to contact me if you have any questions.

Respectfully,



Mike McHugh
Chairman of the Board
Trinity Center Community Services District

CC: Kathy Ratliff, TCLS [via email]

EXHIBIT D - 1

30



Coffee Creek Volunteer Fire District
Corner of Mann and Cedar Roads, Coffee Creek
Rt. 2, Box 3951, Trinity Center, CA 96091
530-266-3955



To: Kathy Ratliff
Trinity County Life Support
Weaverville, CA 96093

May 18, 2018

Re: Trinity County Life Support's application to the Local Area Formation Commission (LAFCO) requesting approval to form a special district for ambulance service.

Dear Kathy,

Services provided by TCLS and the Coffee Creek Volunteer Fire Department should continue as is: simultaneous dispatch to 911 calls. The formation of a TCLS special district for ambulance service stabilization creates no conflicts, and in fact will enhance services.

Sincerely,

Laurence Fitzsimons
President, CCFVD Board of Directors

**LEWISTON COMMUNITY SERVICES DISTRICT
POST OFFICE BOX 164
LEWISTON, CALIFORNIA 96052
530-778-3018**

April 3, 2019

Mr. John Alan Jelichich
Interim Executive Officer
Trinity LAFCO
PO Box 1445
Weaverville, CA 96093

COPY

Re: TCLS Providing Ambulance Service

Dear Mr. Jelichich,

Be advised the Board of Directors at their regular meeting of April 2, 2019 by motion approved with no objections to Trinity Life Support providing ambulance service within the boundaries of the Lewiston Community Services District.

If you need anything further from the District, please contact me.

Sincerely,



Mel Deardorff – President
Lewiston Community Services District
530-778-3018

cc: TCLS

RESOLUTION 18-04
RESOLUTION OF THE HYAMPOM COMMUNITY SERVICE DISTRICT
SUPPORTING FORMATION OF COMMUNITY SERVICES DISTRICT
TO SUSTAIN AMBULANCE SERVICES

WHEREAS, Trinity County Life Support (TCLS) has provided advanced life support pre-hospital care and transport to the communities of Big Bar, Coffee Creek, Douglas City, Junction City, Hayfork, Hyampom, Lewiston, Post Mountain, Trinity Center, Weaverville and Wildwood as a non-profit public service corporation since 1993; and

WHEREAS, TCLS is operating in budgeted deficit to protect current service levels due to substantial uncompensated costs, with rising cost of wages, health insurance, medical supplies and equipment not sustainable by current and projected revenues; and

WHEREAS, study of options for stabilization of ambulance service with outside consultants and participants including LAFCO, County representatives, and potential contract partners of existing local special districts have resulted in a recommendation to form a special district to sustain ambulance service by

- a) direct access to government reimbursement of uncompensated costs; and
- b) assessment of a voter-approved parcel tax; and

WHEREAS, the TCLS Board of Directors and Management acted to preserve and stabilize advanced life support ambulance service by application to LAFCO for formation of Trinity County Life Support Community Service District; and


WHEREAS, the Hyampom Community Service District believes it is necessary to sustain advanced life support emergency ambulance service in Trinity County;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Hyampom Community Service District hereby support this action and affirm there is no conflict with Trinity County Life Support sphere of influence for ambulance service, as

- a. Hyampom Ambulance provides rendezvous and/or transport to landing zone to expedite getting the patient to a higher level of care; and
- b. Ambulance services provided by the two entities are complimentary rather than competitive.

PASSED AND ADOPTED by the Board of Directors Hyampom Community Service District, State of California, at a regular meeting of said Board, held on the 14th day of March 2019 by the following vote:

AYES: *Miron, Strong, Bentzien, Murray, Weddell*
NOES: *0*
ABSENT: *0*



Chairman, Hyampom Community Services
District

Trinity County Fire Chief's Association

P.O. Box 1296, Weaverville, CA. 96093
(530) 623-4226 FAX (530) 623-5444



To Whom It May Concern:

The Trinity County Fire Chiefs' Association has been made aware that Trinity County Life Support, a critical partner agency responding with us to Emergency Medical calls for service, will not be able to sustain operations without increased financial support.

The following facts and beliefs underlie our strong support for the TCLS proposal to create an EMS District and tax to continue providing Advanced Life Support (ALS) and Medical Transport to the residents of and visitors to Trinity County:

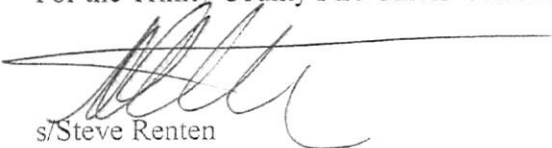
- The majority of 911 calls are for emergency medical service, 60-80% of calls dispatched to most Departments
- Trinity County Chiefs and their Departments rely on our TCLS partners for almost every medical response within the County north of Highway 36.
- The Chiefs and their Departments are not structured or resourced to provide Advanced Life Support and Medical Transport on a 24/7/365 basis.
- Very few Departments have ambulances
- EMTs are in short supply
- Paramedics are few in the Departments
- In the rare case where a Department might be able to provide ALS & Medical Transport, this takes those medical resources out of their community for extended periods of time, potentially denying these services to any subsequent patients who may need them during Medical Transport
- Loss of TCLS would place a crushing burden on Volunteer Fire Departments and diminish emergency response efficiency

Therefore TCLS is essential for EMS within the County. It is therefore critical that TCLS continue providing its valuable and highly specialized response services within Trinity County.

In addition to emergency medical responses, TCLS provides extensive training to VFDs and First Responders in Trinity County. This training includes CPR, Public Safety First Aid, EMR and EMT courses as well as Continuing Education on all topics required for VFD/FR members to keep their EMT and EMR licenses current. Without this training a substantial burden will fall on the VFDs and their members to find alternative sources for course work and medical skills maintenance.

For these reasons, the Trinity County Fire Chiefs' Association strongly supports the TCLS proposal for an EMS District and advises all agencies and citizens to carefully consider extending their support as well.

For the Trinity County Fire Chiefs' Association,


s/Steve Renten
President, TCFCFA

D-5

**LEASE AGREEMENT
COUNTY OF TRINITY AND
TRINITY COUNTY LIFE SUPPORT, LESSEE**

THIS LEASE AGREEMENT ("Lease") is made and entered into effective as of September 15, 2009 ("Effective Date"), by and between the COUNTY OF TRINITY ("County") a political subdivision of the State of California and TRINITY COUNTY LIFE SUPPORT ("Lessee").

**ARTICLE 1
PREMISES**

Effective as of the "Effective Date" first set forth above, which is defined as the date this Lease shall be approved by the Board of Supervisors of the County of Trinity, County hereby leases to Lessee the premises ("Premises") described in Exhibit A attached hereto and incorporated herein by reference, and Lessee hereby leases the Premises from County, on and subject to the terms, covenants and conditions set forth herein. The Premises include the rights granted to use facilities and equipment on the property within which the Premises are located which are provided and designated by County from time to time for the general use, benefit or convenience of Lessee or other tenants of such property.

**ARTICLE 2
TERM**

2.1 Term. The term ("Term") of this Lease shall be 35 years, commencing upon approval of this Lease by Trinity County Board of Supervisors and terminating 35 years thereafter.

2.2 Holding Over. If Lessee holds over in occupancy of the Premises, or any portion thereof, after the expiration of the Term without County's consent, Lessee shall become a tenant from month-to-month. Any holdover shall be subject to the terms and conditions specified in this Lease, so far as applicable.

**ARTICLE 3
RENT**

Lessee shall pay to County as rent during the Term the sum of \$1 per year. Rent due shall be payable in advance on the first day of September each year during the Term.

As additional consideration for annual rent, Lessee shall perform the following duties associated with Lowden Park. Duties shall not take priority over the primary mission of emergency response and public safety:

1. Daily inspection of play equipment on forms provided

EXHIBIT E

2. Daily inspection of overall park condition
3. Daily unlock/lock play area restrooms (April through October weather permitting, approximate hours 8 a.m. and 8 p.m.)
4. Prompt reporting of findings, safety concerns, vandalism, potential problems
5. Prompt notice of an inability to open restrooms.

County agrees that Lessee's staff is not expert in this subject, and that such inspections are general, visual checks for obvious safety or other hazards. The Lessee shall have no liability for any injury, death, damage or other loss related to these activities, or for any use of Lowden Park.

ARTICLE 4 USE OF PREMISES

The Premises shall be used for housing of on duty life support personnel, equipment, training facilities, and emergency operations center; provided, however, that Lessee reserves the right to use the Premises for any other comparable use permitted by applicable zoning laws or ordinances, subject to County's reasonable prior written approval thereof.

ARTICLE 5 QUIET ENJOYMENT

Upon Lessee paying rent and performing its other obligations hereunder, Lessee shall peacefully and quietly have, hold and enjoy the Premises throughout the Term and any extensions thereof, without hindrance, ejection or molestation by County, or its agents or employees.

ARTICLE 6 MAINTENANCE AND REPAIR OBLIGATIONS

6.1 Custodial Services Furnished by Lessee. Lessee shall, at its sole expense, furnish to the Premises all custodial and trash removal services which may be required by Lessee's occupancy and use of the Premises. Such services shall be provided at the level necessary to maintain the Premises in a clean or orderly condition.

6.2 Repairs and Maintenance.

(a) Subject to the provisions of this Lease pertaining to damage or destruction of the Premises, Lessee shall, at all times and at its sole expense keep the Premises in good order, condition and repair, such that the same are at all times in good and tenable condition.

(b) Lessee's obligations under this section shall include performing repair and maintenance services necessitated by negligent or intentional acts or omissions of Lessee

or its agents, employees or invitees. Where work is necessary to cure an emergency situation, County may perform such work immediately upon County's discovery thereof and may then seek reimbursement from Lessee without having obtained Lessee's prior written approval of such work.

6.3 Lessee's Failure to Provide Services and Repairs. Should Lessee fail to perform any act or provide any services required hereunder and not cure such failure, or commence and continue to diligently pursue to completion such curing, within five (5) days following written notice thereof by County (or immediately if the nature of the problem presents a hazard or emergency), County shall have the right, but not the obligation, to remedy such situation by making the relevant repairs or obtaining the relevant service. County's cost in so doing shall be reimbursed to County by Lessee within 30 days of delivery of the invoices evidencing such work.

ARTICLE 7 UTILITIES

Lessee shall furnish to the Premises, and pay for at all times during the Term, all utilities necessary for the use and enjoyment by Lessee of the Premises for Lessee's intended use. Such utility services shall include, but not necessarily be limited to, gas, water, electricity, heating, ventilation and air conditioning.

ARTICLE 8 INSURANCE

8.1 Fire Insurance to be Carried by County. County agrees, at its own expense, during the entire term of this lease, to maintain fire insurance with extended coverage on all improvements on the leased premises for their full insurable value. In the event of loss or damage by fire or other cause, County shall apply the proceeds from said insurance to repair or reconstruct the improvements on the leased premises, provided such repairs can be made within ninety (90) days, but County shall not be required to expend more than the proceeds from any such insurance for the repair or reconstruction of said improvements. If such repairs cannot be made within ninety (90) days, then County at its option may terminate this lease and both parties shall be released from the obligations hereof dating from such damage or destruction and the proceeds of said insurance shall be paid to County.

8.2 Insurance to be Carried by County. County maintains a policy of All-Risk Insurance covering the County's personal property in the Premises, including any fixtures or equipment in the Premises owned by County. The County utilizes Self-Insurance and excess liability insurance with regard to any liability it may incur for personal injury or property damage arising out of its ownership or maintenance of the Premises.

8.3 Insurance to be Carried by Lessee. Lessee shall maintain commercial general liability insurance policy with coverage of not less than \$1,000,000. Said policy shall remain in force during the term of the lease and shall be payable on a "per occurrence"

basis. The County shall be named as an additional insured on the policy and Lessee shall provide the County with a certificate of insurance and endorsements signed by the insured evidencing such insurance prior to taking possession of the premises. The certificate and endorsement shall provide for thirty (30) days advance notice to County of any termination or reduction in coverage.

8.3.1 Use of Proceeds. In the event of damage or destruction to the Premises covered by the insurance required to be taken out by Lessee pursuant to this article, Lessee shall use the proceeds of such insurance for the purposes of repairing or restoring such areas, unless either County or Lessee elects to terminate this Lease pursuant to the provisions of this Lease addressing damage to the Premises from fire or other casualty.

ARTICLE 9 INDEMNITY

9.1 County's Indemnity. County shall indemnify and defend Lessee and hold it harmless from and against any damages, losses or liabilities (collectively, a "Claim"), to the extent arising from (i) any breach or default by County of its obligations under this Lease, or (ii) the negligence or willful misconduct of County or County's agents, invitees, employees or contractors.

9.2 Lessee's Indemnity. Lessee shall indemnify, defend and hold County harmless from and against any Claim incurred by County to the extent arising from (i) any breach or default by Lessee or its obligations under this lease, or (ii) the negligence or willful misconduct of Lessee, Lessee's employees, agents, contractors, or invitees.

ARTICLE 10 ASSIGNMENT AND SUBLETTING

Lessee shall not sublet the whole or any part of the Premises, nor to assign this Lease, without in each case first securing the prior written consent thereto of County.

ARTICLE 11 COMPLIANCE WITH LAWS; SAFETY REQUIREMENTS

(a) County warrants that, as of the Effective date of this Lease, there are no violations of any laws or ordinances, or of rules or regulations of insurance-rating organizations, which would materially affect Lessee's use or occupancy of the Premises, and that Lessee's Intended Use of the Premises is in compliance with existing laws and insurance policies affecting the Premises.

(b) If Lessee's Intended Use of the Premises shall be prohibited at any time during the Term or any extensions thereof by any federal, state or local statute, ordinance or regulations, the Term shall automatically terminate as of the effective day of such prohibition and all rent owing under this Lease shall be equitably pro-rated on a per diem basis as of the date of such termination; provided, however, that Lessee may elect to

continue as the tenant on the Premises in the event that such prohibition of Lessee's Intended Use does not also prohibit another comparable use permitted by applicable zoning laws or ordinances, subject to County's reasonable written approval thereof.

(c) Lessee shall maintain the Premises as a "safe place of employment," as such term is used in the California Occupational Safety and Health Act, insofar as such statute may be applicable to County's Intended Use of the Premises.

(d) In the event Lessee neglects, fails or refuses to maintain the Premises as provided herein, County may, without prejudice to any other remedies provided in the Lease, exercise on of the following options:

(1) terminate this Lease; or

(2) cure Lessee's default by performance of any act, including payment of money.

ARTICLE 12
IMPROVEMENTS AND ALTERATIONS

Neither County nor Lessee shall make any substantial structural alterations, improvements or additions in or about the Premises without the prior written consent of the other party.

ARTICLE 13
COUNTY'S ACCESS TO PREMISES

County shall have access to the Premises for the purpose or inspection at reasonable times on reasonable prior written notice to Lessee (except in the case of an emergency, when notice shall be commensurate with the circumstances). County shall use all reasonable efforts in connection with such access to minimize interference with Lessee's use and enjoyment of the Premises.

County shall have access to the Emergency Operations Center when said center is activated due to a local emergency.

ARTICLE 14
GENERAL PROVISIONS

14.1 Authority. Both parties represent and warrant that they have full power and authority to execute and fully perform their obligations under this Lease pursuant to their governing instruments, without the need for any further action, and that the person(s) executing this Lease on behalf of each party are the duly designated agents of each party and are authorized to do so.

14.2 Captions. The captions and headings appearing in this Lease are inserted for convenience only and in no way define, limit, construe, or describe the scope or intent of the provisions of this Lease.

14.3 County Approval. Except where stated herein to the contrary, the phrases "County's approval," and "County's written approval" or such similar phrases shall mean approval of County or County's representative as authorized by said administrator in writing.

14.4 Cumulative Remedies. In the event of a default under this Lease, each party's remedies shall be limited to those remedies set forth in this lease; any such remedies are cumulative and not exclusive of any other remedies under this Lease to which the non-defaulting party may be entitled.

14.5 Notice. All notices, demands, requests or other communication required or permitted to be given hereunder ("Notices") shall be in writing and (i) delivered in person to an officer or duly authorized representative of the other party, or (ii) sent by First Class United States Mail, postage prepaid to Lessee and County at the appropriate address set forth below, or to such other address as Lessee or County may hereafter designate by written notice to the other party. Any such Notice shall be deemed duly given upon receipt if delivered as set forth under (i) above, or, in case of (ii) above, forty-eight (48) hours from the time of mailing if mailed as provided in this section.

Lessee's Address for Notice:

Trinity County Life Support
PO Box 2907
Weaverville, CA 96093

County's Address for Notice:

Trinity County Administrative Office
PO Box 1613
Weaverville, CA 96093

14.6 Partial Invalidity. If any provision of this Lease is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby. Each provision shall be valid and enforceable to the fullest extent permitted by law.

14.7 Successors & Assigns. This Lease shall be binding on and inure to the benefit of the parties and their successors and assigns, except as may otherwise be provided herein.

14.8 Time of Essence. Time is of the essence of each and every provision of this lease.

14.9 Waiver. No provision of this Lease or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed.

IN WITNESS WHEREOF, County and Lessee have executed this Lease effective as of the date first written above.


COUNTY:

County of Trinity, a
Political subdivision of the
State of California

LESSEE:

Trinity County Life Support

By 
Chairman, Board of Supervisors

By 
BOARD PRESIDENT
Title

Approved as to form.

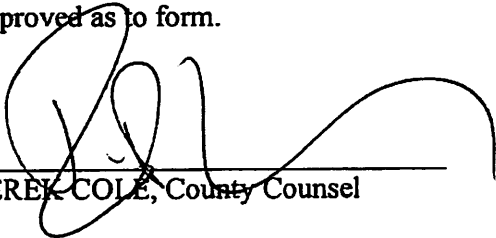

DEREK COLE, County Counsel

EXHIBIT "A"

A portion of that certain parcel shown as the California Division of Forestry Lease on Map of "Record of Survey in Lowden Park in Weaverville for Lowden Park Commission" dated March 1967, and recorded in Book 4 of maps at Page 1, Records of Trinity County, California, and described as follows:

Beginning at the most northerly corner of said California Division of Forestry Lease, thence the following courses:

- 1 – S 40° 45' 04" W 187.10 feet
- 2 – S 55° 50' 30" E 387.29 feet
- 3 – N 40° 45' 04" E 252.10 feet
- 4 – N 65° 07' 57" W 400.00 feet to the point of beginning

Containing an area of 1.92 acres, more or less as indicated on the plat attached hereto and marked "Exhibit B".