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July 29, 2016

The Honorable Marie Sovey Silveira, Presiding Judge  
Superior Court of California, Stanislaus County  
PO Box 3488  
Modesto, CA 95353

RE: Del Puerto Health Care District, Case #16-06C and 16-11C  
Response to Recommendations R4 to R11

Dear Judge Silveira:

As requested, the Del Puerto Health Care District (District) is responding to you and will address Recommendations R4 through R11 of the Grand Jury's report June 10, 2016.

As a preliminary matter, the District thanks the Grand Jury for its time, assistance, and investigation. The District also greatly appreciates the Grand Jury's Finding 1 and Finding 2. Those findings held that the District "delivers good quality healthcare...good quality ambulance service...and is effectively managed." These are the core responsibilities of the District. It is a great achievement to have the Grand Jury validate that the District is effectively achieving its mission and serving well the citizens within its jurisdiction.

The District also appreciates each of the Grand Jury's recommendations. As detailed below, some of these have already been implemented, and others are in progress.

Recommendation "R4" is that the District "consider hiring a part-time CFO" or "an outside resource to provide CFO functions." The District continues to monitor whether this will be a viable option. The District recently hired a new Administrative Director with excellent CFO capabilities and background. However, the issue is monitored regularly to ensure that the CFO functions do not become unwieldy due to the District's continued growth.

Recommendation "R5" suggested that the District delay expansion of the Health Center. The District has considered this recommendation carefully and does not have immediate plans to expand the Health Center until patient volume demands it. The District, however, completed the already-in-progress purchase of 1700 Keystone Pacific Parkway Building C—the third section of the Health Center building and adjacent to the clinic for seamless future expansion. The District feels this acquisition is a sound business investment as Building C is 100% leased and the net income easily services the debt plus contributes a significant portion to an annual reduction of outstanding principle. The Health Center plans expansion into Building C only when 1) patient volumes demands it, and 2) the scope of additional services provided will pay the costs of the additional square

*Read by  
WRS*



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footage. This purchase protects future expansion of the Health Center into the adjacent space, rather than face physically segmented operations down the road.

Recommendation "R6" regards requesting an audit of both Stanislaus County and the City of Patterson to ensure the District receives proper tax revenues. Again, this is an item the District's Board has considered in the past and will revisit. The District's finances are regularly audited by law as are Stanislaus County's and the City of Patterson's. The District will reach out to these entities to evaluate whether there are any discrepancies.

Recommendation "R7" was that the District publish its minutes on the District website. The District agrees this to be a proactive means of keeping the public informed and began publishing approved minutes on its website as of June 15, 2015.

Recommendation "R8" states that when the new Administrative Director is hired, the Board should set firm expectations, monitor job performance, and adopt a policy to avoid unnecessary "board micromanagement." As stated above, the District recently hired a new Administrative Director. At the meeting prior to the Grand Jury's report, the Board addressed the issue of the Administrative Director's job expectations and duties. Regular performance reviews are expected to be a part of that process. The Board also appreciates the Grand Jury's recommendation of a policy to avoid "board micromanagement," and will consider different options.

Recommendation "R9" is similar to "R8," in that it addresses the Administrative Director's position description matches the job specifications used for recruiting. The Board had also identified this as an area where improvements could be made over the last few months significant improvements have been made and the job description has been reconciled with the specifications used for recruiting (Appendix A).

Recommendation "R10" is that the District "should develop an action plan to inform and educate the voters" as to the Board, its responsibilities, Board member qualifications, etc. This is one area where the District believes it could significantly advance both the District's efforts and the knowledge of the citizens it serves. The new Administrative Director has begun a proactive outreach through print media (Appendix B) and the Board continues to seek opportunities for public engagement.

Recommendation "R11" states that the District should hire a consultant to train Board members on working together effectively as a team. The Board seeks to develop a district-wide culture of cooperation and collaboration and to that end seeks to further develop its mission, vision and values statements. This will naturally include training and education at regular intervals for team and community building.



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Again, the District would like to thank the Grand Jury and each of its members for their service. The District was very happy to have the Grand Jury find that "[i]n spite of many obstacles, the Del Puerto Health Center and Patterson Ambulance are effectively managed and provide a beneficial service to the local community." The District is committed to a process of continual improvement and growth, and sees the Grand Jury's assistance as a positive step in this direction.

Sincerely,

A handwritten signature in black ink, appearing to be "S. Pittson", written over a light blue horizontal line.

Dr. Steven Pittson  
President, DPHCD Board of Directors