

June 23, 2024

Mendocino Coast Health Care District
P.O. Box 579
Fort Bragg CA 95437

To: All current MCHCD Board Directors
From: Linda Williams, Fort Bragg, CA 95437
RE: Recommendation to retain RGS and Wayne Allen

After reading the Mendocino Civil Grand Jury report dated June 12, 2024, I would like to absolutely recommend that you retain Regional Government Services (RGS) as well as Mr. Wayne Allen, CFO.

There were many items that were disclosed in this report that are an absolute 'red flag' to those of us in the general public. From the lack of training, the lack of proper operational documents (Bylaws and Policy and Procedures Manual), the actual financial status of the district, the Facilities Plan for hospital buildings, improvement and retrofit, the Community Education and the MCHCD board's Long-Term Plan.

The following are the Recommendations that the Mendocino County Civil Grand Jury has made to the MCHCD Board that I have put in chronological order. (different than what was listed on the report).

R8. Post minutes and agendas in a timely manner, and adhere to Brown Act requirements regarding agendas, and meetings. Complete by: **August 1, 2024.** (F6, F10)

R1. Update Bylaws, vote for approval and document in minutes, sign, date, and post on the MCHCD website. Distribute to all Board Directors. Complete by: **August 31, 2024.** (F2, F3, F4)

R2. Include in MCHCD Bylaws or Policies a requirement that all Board members take a Brown Act and Ethics training that meets AB1234 requirements upon taking office, and post verification of completion on the website. Complete by: **August 31, 2024.** (F16)

R4. Agree and vote upon the mission statement of MCHCD. Post it on the website and include it in the MCHCD Bylaws and in the Policies Manual. Complete by: **October 31, 2024.** (F8, F9)

R3. Update or create MCHCD Policies, including, but not limited to: IT and Security, Document Retention and Handling, Financial Record Keeping and Reporting, Board Administration, and Comity. Approve, sign, date, post on the website, and distribute to all Board Directors. Complete by: **November 30, 2024.** (F2, F5)

R5. Complete all tasks needed to enable auditors to complete audits for the last three years (this includes providing all missing minutes and agendas, approved, signed, and posted on the website). **Complete by: November 31, 2024.** (F6, F7)

R6. Complete an educational campaign for the public to help them understand the Mission and scope of authority of MCHCD. Complete by: **December 31, 2024.** (F9)

R7. Initiate community outreach as outlined in Discussion to gain insight into public priorities and needs. Initiate by: **December 31, 2024.** (F14)

R9. Provide adequate professional staffing (i.e., a full-time general manager, and part time admin and finance support) to support the Board. This could be accomplished using a consultant model, hiring support staff, or some combination of the two. Complete by: **December 31, 2024.** (F12)

R12. Define and vote on the guidelines for using funds from all budgets. Complete by: **December 31, 2024.** (F13)

R13. Create a public advisory committee of 10-20 members of the public as described in the Discussion section. Complete by: **December 31, 2024.** (F14)

R10. Take advantage of CSDA certification programs: (F17)

A. Get CSDA Transparency Certificate of Excellence, and a District of Distinction Accreditation. Complete by: **April 1, 2025.**

B. Encourage at least one member of the Board annually to get a Certificate of Special District Governance to serve as a resource for the Board. Complete by: **Ongoing.**

C. If a permanent General Manager (Director) is hired, encourage them to get a Special District Essential Leadership Skills Certificate. Complete by: **Ongoing.**

R16. Develop a five-year MCHCD Strategic Plan. Complete by: **April 30, 2025.** (F20)

R17. Develop an onboarding process and manual that outlines the expectations of Board members (roles and responsibilities), requirements (such as Brown Act and Ethics), and resources available (such as training). Complete by: **April 30, 2025.** (F18)

R14. Review other health care district's websites and open dialogue with other health care district boards and the CSDA regarding ideas for policies, bylaws, and best practices. Complete by: **May 1, 2025.** (F15)

R15. Clarify and develop the facilities plan before lease negotiations begin later this year. Complete by: **before signing of new lease** (F19)

I am requesting that the board ensure the public that these recommendations will be **completed by the dates listed in their document.** There were many suggestions and references that were given to the board on how to accomplish many of these tasks. Without the assistance of RGS and Wayne Allen, CFO, I personally don't think the current board has or is willing to commit the personal time to getting all of these recommendations completed in the timeline required.

Without the proper policy and procedures in place, there have been several instances where a Board member has made unilateral decisions without the proper authorization from the rest of the board. There have been reimbursements made by that board member to themselves without receipts or Board review. The said Board member had also made decisions to move MCHCD monies from specific accounts that were being closed to open other accounts, while having the checks that were issued to close accounts mailed to their personal residence instead of doing a wire transfer. This same Board member also authorized an ACH money transfer in the Amount of \$216,825. This same Director had given a second authorization to Rick Wood, CSDA consultant for that transaction to occur and he's not even a MCHCD Board Director. This director spent time meeting with Mr. Wood and still has not provided any information/results of what work transpired during this meeting. This is a flagrant dereliction of duties by this board member and should not be in the position they are currently holding. I would suggest that this person resign from the board at this time.

The Grand Jury made this comment in reference to the Financial Status:

“While the MCHCD does not have an overflow of cash, they do have enough for their annual operating expenses. Their financial issues do not stem from lack of money, but rather mismanagement of what they have. The Board’s financial struggles have been well documented in the press, and in Board meetings, including financial accounts which they lost access to, money they lost track of for a period of time, getting years behind in their annual audits, lacking clear reporting and budget, all which contribute to a failure in one of their prime responsibilities, transparency with the public on how their tax dollars are being spent. When the Grand Jury asked for clarity on the district budgets, no documentation showing what the budgets include could be provided.”

The Grand Jury also commented on the lack of comity with the MCHCD board. The report stated:

“Before the Grand Jury closes out this section, there was one issue in particular that it would be remiss not to address specifically and directly. A major barrier in making progress on items at Board meetings has been a lack of comity. This is clearly evident after watching any of the Board meeting recordings through 2023, and has been often commented on by the media and public with statements such as “I stopped watching the meetings because the constant fighting was too difficult to bear” and “hours spent with no progress being made.” This has improved in 2024 but problems with comity still rear up on occasion. Board members will not always agree with each other, and in fact should not, however the way they disagree should not be disruptive to the meetings or obstructive to completing the mission of the Board.”

In closing, I would like to commend Kathy Wylie and Wayne Allen for all they have done for the MCHCD and recommend that their contracts are continued until the MCHCD gets their operation in order. In the last couple months, they (Kathy and Wayne) have made recommendations, worked hours upon hours doing the necessary research to try and figure out exactly what the status of the MCHCD is and to make corrections. They are making progress towards building trust in the community with their transparency, which has been lost for quite some time. I feel like the reports that are being presented by Kathy and Wayne are finally giving us a true report of where we are and what we need to do to correct previous problems that may have been ignored.

The new members of the 2024 also need to be commended on their tenacity for getting things accomplished. This was also noted in the Grand Jury Report.

Thank you for your time,
Linda Williams