



To: MCHCD Board of Directors
From: Katharine Wylie, MS Ed.
Date: 5/14/2026
Subject: Agency Administrator's Report

Seismic Retrofit Update

Board Consultant Dudley Campbell, Chief Operating Officer of the Devenney Group, will review recent seismic retrofit plan work later in the meeting tonight. The seismic retrofit project application has been submitted to the City of Fort Bragg, and we are awaiting a local planning commission hearing date.

The District's seismic infrastructure project continues to move forward on multiple parallel tracks. The NPC5 (Non-structural Performance Category 5) submission remains under review by HCAI and is currently in secondary structural review, with comments expected within approximately one week. In addition, we discovered that the original geotechnical report only addressed NPC requirements and must now be amended to include Seismic Performance Category (SPC) analysis before the SPC package can be submitted. The Material Testing & Condition Assessment (MTCAP) package is being prepared and will be submitted after the NPC5 comment response is completed, followed by the SPC submittal.

The development of a utility easement remains, which must account for all water and sewer infrastructure on the site. A utility locator and surveyor are being coordinated to define easement boundaries and determine whether a full boundary survey is necessary. Devenney expects to provide the District with a scope of services for the easement work for Board review and authorization.

Audits Update

The auditors are currently posting adjustments and resolving final issues. FY 2020–21 is complete, and FY 2021–22 is largely complete. The FY 2022–23 through FY 2024–25 audits still need additional work, primarily finalizing property records based on invoice copies received. Because each adjustment can affect multiple sections of the audits, the team is working carefully to close everything out systematically.

Once property records are reconciled, all five audits will move to senior auditor internal review, followed by a standard two-week Engagement Quality Control Review (EQCR) and draft review process before the District receives the final audits. The auditors do not expect any additional material issues, though EQCR could request additional testing that may add a couple of weeks. If everything stays on track, completion is expected by June 30th. This remains the top operational priority for both the CFO and me.



LAFCO Update

I met with Uma Hinman, Executive Officer of the Mendocino Local Agency Formation Commission on May 5, 2026, to discuss questions regarding the District's recent invoice and the pending Municipal Service Review (MSR). She clarified that the recent invoice reflects the District's standard share of LAFCO operational costs—not MSR-specific expenses. She explained that the district's improved state fiscal reporting resulted in the County Auditor reinstating the District into the fee apportionment pool. Prior filings showing negative revenue had previously exempted the District from those charges.

I also highlighted how significantly the District's role has changed since the 2014 MSR: following the execution of the District's 30-year lease with Adventist Health Mendocino Coast on July 1, 2020, the District is no longer a direct healthcare provider. Adventist Health is fully responsible for clinical operations, while the District's role has shifted to facility ownership, property management, capital improvement oversight, and ensuring compliance with state seismic requirements to preserve local healthcare infrastructure. The conversation reinforced that the District's primary responsibility today is maintaining the public hospital facility and supporting long-term healthcare stability on the Mendocino Coast.

Ms. Hinman indicated she will provide the district with an updated draft funding agreement related to the MSR process, which will be brought back to the Board for future consideration.

Ambulance Update

All 5 ambulances currently staffed and operated by Adventist Health Mendocino Coast Hospital through the lease agreement, are owned by the District and purchased with the use of Measure C funds. Although recently purchased ambulances were initially registered to Adventist Health in error, I've worked with AH staff member Anna Rea to correct Ca. Department of Motor Vehicle records. The ambulances undergo annual California Highway Patrol inspections and because they are government-owned, are exempt from licensing fees and road/bridge fees and tolls. This partnership arrangement is a great example of the district and the tenant working together to provide this essential service to our district residents.