



February 28, 2018

Mr. George Spiliotis  
Executive Officer  
Local Agency Formation Commission  
3850 Vine Street, Suite 240  
Riverside, CA 92507

Re: AB2414 Desert Healthcare District Boundary Expansion LAFCO Application  
Plan of Services – Addendum #1(Funding)

Dear Mr. Spiliotis:

At the Board of Directors meeting of the Desert Healthcare District on Tuesday, February 27, 2018, the Board approved a Resolution to submit Addendum #1 (Funding) to the Plan of Services for the above referenced LAFCO application.

The Addendum memorializes the District's commitment of \$6,000,000 (\$300,000 per year for 20 years) to provide programs and services to the residents of the annexed area upon successful voter approval of the expansion initiative on the November 2018 ballot. The sources of funds will be generated from current existing and ongoing unrestricted sources (not from current property tax revenues and hospital replacement funds).

**To solidify the commitment, the District will accrue a \$6,000,000 liability on the District's books.**

The District Board looks forward to LAFCO's review and for the application to move to a public hearing as soon as possible.

Thank you and your Staff for all of your guidance and assistance this past year.

Please do not hesitate to contact me at 760-219-5619 should you have questions or need additional information.

Best regards,

A handwritten signature in black ink, appearing to read "Herb K. Schultz", written over a horizontal line.

Herb K. Schultz  
CEO  
Desert Healthcare District/Foundation