



Dear Members of our Community,

We wish all of you a happy new year. 2010 will mark the 51<sup>st</sup> year that Plumas District Hospital has provided the highest quality health care to our community. We hope to continue meeting your health care needs for the next 50 years.

Measure A was passed overwhelmingly by voters in 2008. Some members of the community have circulated a petition to put a proposed tax limit initiative on the ballot to amend Measure A. In the opinion of the Board, this would eliminate any possibility of building a new hospital or any portion thereof and would threaten the long-term viability of medical services in our community. At the January 5<sup>th</sup> Board meeting, the hospital declined to appoint an election official to allow this initiative to move forward for three reasons:

- First, the proposed tax limit initiative is illegal because it violates the District's contract with bondholders who lent the District money for a new hospital. Our general counsel and our special counsel tell us neither the District nor its voters can amend Measure A.
- Second, the initiative promises something we cannot deliver – a new hospital and an unrealistically low cap on the property taxes needed to pay for it.
- Third, and most importantly, we do not need to spend thousands of dollars on an election based on the community's concern about the cost of a new hospital. Instead, we want an opportunity to respond to that concern while still fulfilling the wishes of the 77 percent of voters who approved Measure A and want a new hospital to ensure the future of medical services in our community.

Instead of pursuing a costly election we believe the District and the community need to take a step back, examine our options and decide what this community wants in a new hospital and what it can afford. Until we have that dialogue, we have given the following directions to the District staff:

- Bring back at a future meeting the documents necessary to reduce the property tax levy for the 2010-11 fiscal year to the smallest amount consistent with the District's obligations to its bondholders.
- Take no more steps toward sale of additional bonds.
- Make no final commitment to the scope or design of a new hospital.

We thank all those who have taken the time to speak out on this issue. As Board members and Administrators we have the responsibility to ensure that the highest quality, affordable medical services are available over the next 50 years. We pledge to work with the community to make sure we make the best decision possible.

The community will live for many, many years with the consequences of the choice we make now in terms of the quality of healthcare, and the quality of life, in our community. Let's take the time to listen to one another, so we can make the best choice.

Let's work together.

Sincerely,

Richard D. Hathaway, C.E.O.  
Bill Elliott, Board Director  
Fred Thon, Board Director

Mark Satterfield, M. D., Board President  
John Kimmel, Board Director  
Valerie Flanigan, Board Director