

SUPERIOR COURT OF CALIFORNIA
COUNTY OF IMPERIAL

PIONEERS MEMORIAL HEALTHCARE DISTRICT,

Petitioner,

v.

IMPERIAL VALLEY HEALTHCARE DISTRICT, et al,

Respondents.

Case No. ECU003473

**RULING AND ORDER ON
INTERVENOR/RESPONDENT
ATTORNEY GENERAL'S DEMURRER
TO SECOND AMENDED PETITION**

The Demurrer filed by Respondent/Intervenor CALIFORNIA ATTORNEY GENERAL (“AG”), and joined by the Imperial County Local Agency Formation Commission (“LAFCO”), and the Imperial Valley Healthcare District and its individual board members Enola Berker, Katherine Burnworth, James Garcia, Laura Goodsell, Donald W. Medart Jr., Arturo Proctor, and Rodolfo Valdez (together, “IVHD”), to PETITIONER PIONEER MEMORIAL HEALTHCARE DISTRICT (the “Petitioner”)’s Second Amended Petition (“SAP”) came on for hearing on December 12, 2024, in Department 9 of the above-entitled court, Hon. L. Brooks Anderholt, judge presiding. Kathryn Doi appeared on behalf of the Petitioner. Wendy Ortega appeared remotely on behalf of the Petitioner. Sally Nguyen appeared as general counsel for the Petitioner. Adriana Ochoa appeared on behalf of the Respondents IVHD, Enola Berker, Katherine Burnworth, James Garcia, Laura Goodsell, Donald Medart, Arturo Proctor, and Rodolfo Valdez. Holly O. Whatley appeared on behalf of the Respondent LAFCO. Sharon L. O’Grady appeared on behalf of the Intervenor.

The Court, having read and considered the moving, opposition and reply papers, the contents of

1 the file, considered argument by counsel, and having taken the matter under submission, now rules as
2 follows:

3 I. BACKGROUND

4 This case concerns the validity of Assembly Bill 918 (A.B. 918), which created the IVHD and
5 mandated the dissolution of PMHD and Heffernan Memorial Healthcare District (HMHD), transferring
6 their respective assets to IVHD. PMHD challenges A.B. 918 as special legislation violating the
7 California Constitution and equal protection rights. PMHD also posited that even if A.B. 918 is
8 constitutional, it does not eliminate the voter approval requirement for dissolution and asset transfer.
9 The dispute arises from the financial distress of hospitals in Imperial County and the legislative effort
10 to consolidate healthcare services under IVHD.

11 II. PROCEDURAL HISTORY

12 PMHD filed its initial petition on April 10, 2024. After removal to federal court and subsequent
13 remand, PMHD filed a First Amended Petition. This Court sustained Respondents' demurrer to the
14 First Amended Petition with leave to amend. PMHD filed its Second Amended Petition (SAP) on
15 November 4, 2024. The Intervenor, joined by Respondents LAFCO and IVHD, demurred to the SAP.

16 III. REQUEST FOR JUDICIAL NOTICE

17 The Court judicially notices the AG's Request for Judicial Notice requests 1, 2 and 14 and
18 declines to judicially notice the remaining requests.

19 IV. STANDING

20 Petitioner has standing to file this petition. A party has standing if they have "an actual and
21 substantial interest in the subject matter in the action and stand to be benefited or harmed by the
22 ultimate outcome of the action." (*City of Santa Monica v. Stewart* (2005) 126 Cal.App.4th 43, 60.)

23 Since A.B. 918 requires that PMHD be dissolved by January 1, 2025, and all its assets,
24 including its hospital, be transferred to IVHD upon its dissolution, the invasion to PMHD's legally
25 protected interest is (a) concrete and particularized, and (b) actual or imminent, not conjectural or
26 hypothetical. (*See City of Malibu v. California Coastal Commission* (2004) 121 Cal.App.4th 989,
27 where the city had standing to challenge special legislation; *City of Garden Grove v. Superior Court*
28 (2007) 157 Cal.App.4th 355, 370-371, "Standing is also favored if an interested party may otherwise

1 find it difficult or impossible to challenge the decision at issue.”). PMHD has third-party standing on
2 behalf of its voters and taxpayers. (*Sanchez v. City of Modesto* (2007) 145 Cal.App.4th 660, 675.)
3 Petitioner meets the three requirements for third-party standing: (1) PMHD will sustain injury by being
4 dissolved; (2) the rights of PMHD voters to vote on dissolution are inextricably tied to PMHD’s
5 interest in continuing to exist; and (3) PMHD voters face significant obstacles to bringing an action
6 themselves due to being lower income, immigrant, and non-English speaking.

7 V. ANALYSIS OF CAUSES OF ACTION

8 A. First Cause of Action: Special Legislation

9 PMHD alleges that A.B. 918 is unconstitutional special legislation under Article IV, Section 16
10 of the California Constitution because general statutes, specifically the Cortese-Knox-Hertzberg Local
11 Government Reorganization Act of 2000 (CKH Act) and the Local Health Care District Law (LHCD
12 Law), could have been applied to achieve the same result. A special statute is one that applies only to
13 some, rather than all, members of a particular class. (*City of Malibu v. Cal. Coastal Com.* (2004) 121
14 Cal.App.4th 989, 993.)

15 However, the Legislature’s findings in A.B. 918 demonstrate a rational basis for enacting the
16 legislation. The Legislature found that the financial distress of hospitals in Imperial County, the failure
17 of prior local efforts to create a countywide healthcare district, and the need for immediate action to
18 address the healthcare crisis justified the special legislation. The Legislature’s determination of a
19 rational relationship is entitled to great weight. The Legislature’s determination will not be reversed
20 unless arbitrary and without any conceivable factual or legal basis PMHD’s arguments regarding
21 inaccuracies in the legislative findings are immaterial; the Legislature’s determination of a rational
22 relationship is entitled to great weight. (*City of Malibu, supra*).

23 Therefore, as a matter of law, this cause of action fails to state a cause of action.

24 B. Second Cause of Action: Equal Protection

25 PMHD alleges that A.B. 918 violates equal protection by disparately impacting PMHD’s voters
26 and taxpayers, who are predominantly farmworker, immigrant, Spanish-speaking, and low income, by
27 depriving them of a vote on PMHD’s dissolution.

28 The equal protection claim fails on the merits. A.B. 918 does not involve a suspect

1 classification or burden a fundamental right. AB 918 is racially neutral on its face, and the legislative
2 history confirms that AB 918 was motivated purely by a desire to address a health care crisis in
3 Imperial County and to ensure that its population retained access to adequate health care services. The
4 right to vote on changes to the organization of a healthcare district is purely statutory, and the
5 Legislature has plenary power to alter that process. The rational basis test applies, and for the same
6 reasons discussed above regarding special legislation, A.B. 918 passes this test.

7 Therefore, as a matter of law, this cause of action fails to state a cause of action.

8 **C. Third Cause of Action: Violations of Statutory Process**

9 PMHD's third cause of action seeks a writ of mandate and declaratory and injunctive relief
10 based on alleged violations of the CKH Act and LHCD Law. This cause of action is derivative of the
11 first and second causes of action, as it relies on the same underlying allegations regarding special
12 legislation and equal protection. The third cause of action necessarily fails as well because the first and
13 second causes of action fail,

14 **D. Fourth Cause of Action: Voter Approval Requirement**

15 PMHD's fourth cause of action argues that even if A.B. 918 is constitutional, it does not
16 eliminate the voter approval requirement for PMHD's dissolution and asset transfer under Government
17 Code section 57103 and Health and Safety Code section 32121. However, A.B. 918 clearly mandates
18 the dissolution of PMHD and transfer of its assets to IVHD without requiring voter approval. The plain
19 language of A.B. 918 controls, and the legislative history confirms the intent to bypass the usual voter
20 approval process.

21 Therefore, as a matter of law, this cause of action fails to state a cause of action.

22 For the foregoing reasons, Respondents' Demurrer to the Second Amended Petition is
23 sustained without leave to amend because it fails to state any viable cause of action.

24 The motion for Preliminary Injunction is thus moot. The Court's Temporary Restraining Order
25 is terminated. The request to stay the effect of this order until any appeal is final is denied except as
26 noted below.

27 Any future dates are vacated.


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The effective date of this order is stayed until January 21, 2025.

IT IS SO ORDERED.

Dated: 1-7-25



L. BROOKS ANDERHOLT
Judge of the Superior Court