



**REGIONAL
GOVERNMENT
SERVICES**

SERVING PUBLIC AGENCIES SINCE 2002

April 24, 2024

Delivered via email to: directormacedonio@ekhcd.org

Karen Macedonio
President of the Board
EAST KERN HEALTH CARE DISTRICT
P.O. Box 2546, California District, CA 93505

SUBJECT: TRANSPARENT GOV SERVICES

Dear President Macedonio:

Thank you for giving Regional Government Services (RGS) the opportunity to provide East Kern Health Care District (“District”) with this proposal for transparent government services consulting.

RGS is uniquely qualified to provide this service based on our specific public sector expertise and extensive experience working exclusively with local government agencies. RGS is a Joint Powers Authority (JPA) established in 2002. With over 100 employees, having served more than 300 government agencies, RGS provides consulting services and expert advice specifically to agencies in the areas of transparent government, human resources and financial management, organizational development, community engagement, strategic planning, and more.

RGS is a streamlined organization of consultants who work virtually or within our partner agency offices on an as-needed basis. We have no physical corporate office which reduces our overhead costs and allows us to offer competitive prices to our partner agencies and clients. RGS employs the consultants who provide services to partner agencies and does not use subcontractors to deliver such services.

RGS staff prides itself on its ability to deliver accurate, professional products and services within reasonable timelines, meet deadlines, and provide clear, honest, and effective communications, all of which help to promote good relations with stakeholders at all phases of a client’s project.

RGS’s Transparent Government Team is comprised of seasoned advisors, some of whom are Certified Municipal Clerks, with specific training on elections, public records act requests, and Board dynamics, processes, and rules. The team is valued for delivering flexible, high-quality services in a cost-effective manner.

Please reach out to me with any questions at mjbrown@rgs.ca.gov or 650-587-7300 x78.

Sincerely,

MJ Brown, CMC, Strategic Services Consultant, Transparent Government
REGIONAL GOVERNMENT SERVICES

8-A-1

5

DESCRIPTION OF SERVICES

1. Board Meeting Management Services, and Agenda Package & Minutes Production

The District has identified the need for remote coordination of its District Board meetings, held on the first Tuesday of each month at 5:00 p.m. at 9300 N Loop Blvd, California City, CA 93505. RGS understands the District intends to begin meeting regularly two times a month (on the first and third Wednesdays) beginning in June 2024. The District also has, from time-to-time, special meetings.

Deliverables:

- An RGS Advisor will prepare a staff report for the Board's consideration at an agreed-upon Board meeting to adopt a Regular Meeting Schedule to include two meetings per month.
- Manage online audio and/or video platforms for the meeting, manage the process by which any public comments will be made, and taking votes by roll call, as necessary.
- Prepare agenda packages and action minutes. A District contact (employee or Board member) will provide completed agenda items (Board memos and other attachments) in MS Word to the RGS-assigned Advisor via DropBox, or a similar cloud-based sharing utility at least seven (7) days prior to the posting date for each Regular Meeting, and at least three (3) days prior to the posting date for each Special Meeting. An RGS employee will complete the preparation of Brown Act-compliant Board packages. The Advisor will return the entire package back to the District in a format ready for posting to its website (packages will be provided by RGS at least one day prior to posting time as defined by the Brown Act, to ensure sufficient time for physical posting and distribution to interested parties and stakeholders.
- An RGS employee will prepare Action Minutes for each of the Board's meetings through the end of the contract.

*NOTE: This portion of the proposal assumes up to 4 (1.5 hour; assumes Closed Sessions) Board meetings (Regular and/or Special) between May 2024, and June 30, 2024, and is estimated to cost **\$4,950**. Meetings that are of a longer duration may increase the cost in this portion of the proposal, as minutes production time will increase. This proposal includes a report to the Board for a Regular Meeting Schedule. Actual hours of service are billed at the rates shown in the table at the end of this letter.*

*Proposed estimate through **June 30, 2025**, is **\$28,185** and includes all management as described above for two meetings per month, plus potential Special meetings (estimate is for 26 meetings).*

2. Website Audit

RGS understands the District wishes for its website to meet compliant standards for public websites, and to meet legislative mandates for Americans with Disabilities Act (ADA) best practices. A Certified Municipal Clerk will assess the agency's website and make recommendations for any remedial action or for enhanced transparency.

*NOTE: This portion of service is anticipated to cost approximately **\$850** as is a one-time cost for the assessment. Additionally, RGS is pleased to provide additional services (activities to implement web compliance or enhancements) upon request; additional cost estimates can also be provided.*

3. On-Call Transparent Government Support

RGS understands the District wishes to have a transparent government/compliance advisor on-call for staff questions or concerns related to Brown Act, Public Records Act, Political Reform Act, and other transparency and fairness legislative components. This service is not legal advice but provides practical advice and coaching to staff regarding action steps in matters where the legal parameters are known. Where legal parameters require clarification, RGS may recommend that staff consult with its legal counsel. Such advice will be directed to the Board President for authorization and further action.

*NOTE: This portion of the service is estimated to cost **\$1,690**. This estimate assumes approximately four hours a month of advisory services through **June 2024**. Actual service hours are billed at the Strategic Services Consultant rate defined in the table below.*

*Proposed estimate for On-Call Transparent Government Support as described above (four hours per month) through **June 30, 2025**, is **\$10,980**.*

<u>TOTAL ESTIMATED COST FOR PROPOSED SERVICES THROUGH JUNE 2024 ONLY: \$7,490.</u>
<u>TOTAL ESTIMATED COST FOR PROPOSED SERVICES THROUGH JUNE 2025: \$40,015</u>

RGS is pleased to provide additional services upon request; additional cost estimates can also be provided. RGS provides consulting services on an hourly basis. Invoicing is based on hours actually worked. Bill rates are as follows:

Title	Hourly Rate
Strategic Services Consultant	\$176
Senior Advisor	\$150
Advisor	\$128
Technical Specialist	\$114
Administrative Specialist	\$102

**The Hourly Rate does not include direct external costs which will be invoiced to Agency with no markup and will fall outside of the not-to-exceed (if established) for services provided.*

Karen Macedonio, Board President

April 24, 2024

Page 4

While travel costs are not anticipated for these services, should travel be needed to deliver service, both travel time and expenses (without markup) will be charged. RGS Advisors are skilled at prioritizing activities and working within the budget of partner agencies.

8-A-1

8



REGIONAL
GOVERNMENT
SERVICES

SERVING PUBLIC AGENCIES SINCE 2002

April 25, 2024

Delivered via email to: directormacedonio@ekhcd.org

Karen Macedonio
President of the Board
EAST KERN HEALTH CARE DISTRICT
P.O. Box 2546, California District, CA 93505

SUBJECT: ELECTIONS & ADDITIONAL TRANSPARENT GOV SERVICES

Dear President Macedonio:

Thank you for giving Regional Government Services (RGS) the opportunity to provide East Kern Health Care District (“District”) with this proposal for transparent elections management and additional government consulting.

This proposal complements the primary scope of services and includes transparent government services related to elections and outreach, records retention, insurance and claim advice, the response coordination for an analytical investigation made by an outside body about the District, and a Fair Political Practices Commission Conflict of Interest project.

Please reach out to me with any questions at mjbrown@rgs.ca.gov or 650-587-7300 x78.

Sincerely,

MJ Brown, CMC, Strategic Services Consultant, Transparent Government
REGIONAL GOVERNMENT SERVICES

DESCRIPTION OF SERVICES

1. Elections Management & Outreach

The District has identified the need for elections management for the upcoming November election. There are three seats that will be open in the election. The District is seeking comprehensive, expert election consulting services to manage the election, preparing for the Nomination Period, beginning in May, through onboarding and election canvas through the end of the year. RGS is able to provide consultation with the District regarding compliance with Federal, State, and Local Town Council election procedures, including timeline requirements, review of nomination and other documents for completeness, and adherence to deadlines.

The District anticipates the need for an outreach campaign to build interest in the community and to encourage civic-minded individuals to volunteer to be elected to the Board of Directors. Depending on need, RGS will:

- Facilitate an outreach campaign to include mixed media (print in local newspaper), digital outreach via Social channels, and updates to the District's website. RGS's communications team will create and provide designed ads/assets for use by the District.
- Provide a qualified remote Advisor to assist the District should it be necessary for swearings-in, nomination papers, and candidate or onboarding meetings.
- Consult with the District and candidates on appropriate procedures to meet their legal responsibilities prior to and through the election.
- Facilitate the development of a comprehensive elections calendar, nomination packet (if necessary) and access appropriate filing forms and advise the District on matters related to these documents.
- Facilitate the development of a candidate handbook and timelines, and create draft email communications for candidates such as: upon filing for intent to run, reminder of deadlines, FPPC or other training documents for candidates and treasurers, etc.
- Provide training for staff related to election management, if necessary.
- Guide and advise on procedures related to campaign finance and appropriate filing of disclosures, if necessary.
- Facilitate coordination with County Registrar of Voters.
- Be reasonably available to perform the services during the normal work week.
- Meet virtually upon mutual agreement for the purpose of consulting about the scope of work performed with the appropriate Agency project manager and with the RGS lead.
- Facilitate the onboarding of officials elected to office, including orientation, guidance, and virtual meetings.
- Perform other duties as are consistent with the services described herein and approved by the RGS lead advisor.
- Perform related work as requested and as approved by the RGS lead advisor.

Karen Macedonio, Board President

April 25, 2024

Page 3

NOTE: This portion of the service is estimated to cost \$17,100 and the estimated cost assumes up to four candidates running for office, with three elected to office and after-election onboarding. Actual hours of service are billed at the rates shown in the table at the end of this letter.

2. Records Retention Schedule

RGS understands that the District desires to have a complete, up-to-date records retention policy and disposition schedule that is accurate and specific to the citations and codes that pertain to the District. RGS's Certified Advisors have experience producing such policies and schedules.

NOTE: An up-to-date policy and schedule are estimated to cost \$4,055.

3. Insurance & Claim Advisory Services

RGS understands the District desires to contract with RGS to provide professional consulting services necessary in connection with insurance claims resolution and other tasks related to insurance and risk management; and the District has identified the need for assistance in resolving pending insurance claims, and in obtaining assistance with miscellaneous insurance and risk management tasks as needed.

NOTE: This portion of the service is estimated to cost \$1,500.

4. Investigation Response Support

RGS understands that the District is subject to an investigation conducted by an outside body. It is anticipated that the culminating report will identify certain findings and recommendations. RGS is prepared to review and analyze the report and provide guidance in preparing any required responses to the report on an on-call basis, billed per hour. Such services will be billed per the Rate Table at the end of this letter.

NOTE: For the purposes of this proposal, RGS recommends up to ten (10) hour of advisory services, and estimates a cost of \$1,760. Additional services to develop and implement improvements, alternative policies and practices, or other organizational changes to carry out recommendations are available if needed, and additional scope and cost estimates will be provided upon request.

5. Code-Reviewing Body Determination and Form 700 Filing Management

RGS understands the District's Code-Reviewing Body is either the County Registrar of Voters, the County Counsel, or the Fair Political Practices Commission (FPPC). Because of the ambiguity related to which agency is the "Code-Reviewing Body," the District has Conflict of Interest Form 700 filings that have not been filed in compliance with its Conflict of Interest Code. RGS is able to work with the multiple agencies to research and determine which is the appropriate filing body, and to bring the District into compliance with the Directors' outstanding Form 700 filings.

8-A-2

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Karen Macedonio, Board President
April 25, 2024
Page 4

NOTE: For the purposes of this proposal, RGS recommends ten (10) hour of advisory services, and estimates a cost of \$1,760.

TOTAL ESTIMATED COST FOR PROPOSED SERVICES
THROUGH JUNE 2025: \$26,175

RGS is pleased to provide additional services upon request; additional cost estimates can also be provided. RGS provides consulting services on an hourly basis. Invoicing is based on hours actually worked. Bill rates are as follows:

Title	Hourly Rate
Strategic Services Consultant	\$176
Senior Advisor	\$150
Advisor	\$128
Technical Specialist	\$114
Administrative Specialist	\$102

**The Hourly Rate does not include direct external costs which will be invoiced to Agency with no markup and will fall outside of the not-to-exceed (if established) for services provided.*

While travel costs are not anticipated for these services, should travel be needed to deliver service, both travel time and expenses (without markup) will be charged. RGS Advisors are skilled at prioritizing activities and working within the budget of partner agencies.



RGS Is Committed to Reducing Paper Waste by Use of Electronic Processes

RGS requests your assistance with meeting these waste reduction goals by joining us in the use of digital signature and electronic payment methods during our collaboration to reduce mailing and paper expenses.

As a convenience, RGS offers DocuSign to digitally sign our Agreements, providing a secure and legally binding digital signature process that eliminates the need for printing and distribution of documents.

Preamble: The agreement for services described below is also an agreement to engage in a relationship between organizations – Agency partners. In order to establish a mutually respectful relationship as well as a productive one, RGS has adopted the following values and business methods.

Our Values

- **Expert Services:** RGS serves exclusively public sector agencies with its team of public-sector experts.
- **Innovation:** RGS encourages and develops innovative and sustainable services to help each Agency meet its challenges through new modes of service provision.
- **Customer Driven:** RGS customizes solutions to achieve the right level and right kind of service at the right time for each Agency’s unique organizational needs.
- **Perseverance:** Sometimes the best solutions are not immediately apparent. RGS listens, works with you, and sticks with it until a good fit with your needs is found.
- **Open Source Sharing:** RGS tracks emerging best practices and shares them, learning openly from each other’s hard-won experience.
- **Commitment:** Government agencies are the public’s only choice for many services. Public trust is earned and must be used wisely. And RGS will do its part. Each Agency should and will know how RGS sets its rates. RGS’ pledge to you is that we will act with honesty, openness, and full transparency.

How RGS Does Business

When you work with RGS you can expect:

- RGS will strive to be explicit up front and put our understandings in writing. Before making assumptions, we hope to talk directly to prevent any misunderstandings.
- Ongoing interaction throughout our relationship to ensure that your needs are being met, and that projects progress appropriately and agreed-upon timelines are met.
- RGS is committed to honest interaction.
- When RGS employees are on your site, we expect them to treat people respectfully and be treated respectfully. If problems arise, we want to communicate early, accurately, and thoroughly to ensure that we find mutually acceptable solutions.
- As a public Agency, partnering is valued. We look out for each Agency’s interests consistent with maintaining the public trust.
- To keep expectations realistic, it is important to understand that RGS is a governmental, joint powers authority evolving to meet changing local government needs. RGS has carefully constructed policies and procedures to allow maximum flexibility to meet your needs.

Agreement for Management and Administrative Services

This Agreement for Management Services (“Agreement”) is made and entered into as of the **XX** day of **MONTH** 2023, by and between the **AGENCY**, a municipal agency (“Agency”), and **Regional Government Services Authority** (RGS), a joint powers authority, (each individually a “Party” and, collectively, the “Parties”).

RECITALS

THIS AGREEMENT is entered into with reference to the following facts and circumstances:

- A. That Agency desires to engage RGS to render certain services to it;
- B. That RGS is a management and administrative services provider and is qualified to provide such services to the Agency; and
- C. That Agency has elected to engage the services of RGS upon the terms and conditions as hereinafter set forth.

TERMS AND CONDITIONS

Section 1. Services. The services to be performed by RGS under this Agreement shall include those services set forth in the attached **Exhibits**, which are incorporated by this reference herein and made a part hereof as though it were fully set forth herein.

Where in conflict, the terms of this Agreement supersede and prevail over any terms set forth in the **Exhibits**.

- 1.1 Standard of Performance.** RGS shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the types of services that RGS agrees to provide in the geographical area in which RGS operates.
- 1.2 Service Advisor.** To ensure quality and consistency for the services provided, RGS also assigns a service advisor to Agency. The service advisor is available to assigned RGS staff and to Agency management and will check in regularly with both to address program/project directives. Typically service advisor time is not billed to Agency, with some exceptions where significant programmatic direction is provided.
- 1.3 Reassignment of Personnel.** Assignment of personnel to provide the services described in the **Exhibits** is at the sole discretion of RGS. In the event that Agency or RGS, at any time during the term of this Agreement, desires the reassignment of personnel, Agency and RGS shall meet and discuss in good faith to address the issue of concern, including but not limited to reassigning such person or persons. For the avoidance of doubt, however, RGS retains sole control as to assignment of its personnel.
- 1.4 Time.** RGS shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance described above and to provide the services described in the **Exhibits**.

Section 2. Term of Agreement and Termination.

- 2.1** Services shall commence on or about DATE XX, 2023, and this Agreement is anticipated to remain in force to DATE XX, 2024, at which time services may continue on a month-to-month basis until one party terminates the Agreement or if Section 3 contains a “not to exceed” amount, until RGS charges for services reach the not-to-exceed amount at which point the Agreement will automatically terminate unless amended. Services provided under the month-to-month provision are subject to current RGS staff rates in effect at the time of service. Once this Agreement has converted to a month-to-month basis, it shall automatically terminate upon the ninety-first (91st) continuous day with no billable service hours. After the ninety-first (91st) day with no billable service hours, RGS shall provide Agency with written notice of the automatic termination of the Agreement.
- 2.2** This Agreement may be terminated by either Party, with or without cause, upon 30 days’ written notice. Agency has the sole discretion to determine if the services performed by RGS are satisfactory to the Agency which determination shall be made in good faith. If Agency determines that the services performed by RGS are not satisfactory, Agency may terminate this Agreement by giving written notice to RGS. Upon receipt of notice of termination by either Party, RGS shall cease performing duties on behalf of Agency on the termination date specified and the compensation payable to RGS shall include only the period for which services have been performed by RGS.

Section 3. Compensation. Payment for services under this Agreement shall not exceed \$XXX and shall be as provided in the **Exhibits**.

Section 4. Effective Date. This Agreement shall become effective on the date first herein above written.

Section 5. Relationship of Parties.

- 5.1** It is understood that the relationship of RGS to the Agency is that of an independent contractor and all persons working for or under the direction of RGS are its agents or employees and not agents or employees of Agency. The Agency and RGS shall, at all times, treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of the Agency. Agency shall have the right to control RGS employees only insofar as the results of RGS’ services rendered pursuant to this Agreement. In furtherance of this Section 5.1, the Parties agree as follows:
- 5.1.1** Agency shall not request from RGS or from an RGS employee providing services pursuant to this Agreement an RGS employee’s Social Security Number or other similar personally identifying information.
- 5.1.2** Agency shall not report an RGS employee to a third party as an employee of Agency. For the purposes of this Section 5.1, “third party” means another government agency, private company, or individual.

5.1.3 In the event that a third-party requests information about an RGS employee—including but not limited to personally identifying information, hours or locations worked, tasks performed, or compensation—Agency shall inform RGS of the request prior to responding. If Agency possesses such information about an RGS employee, the Parties shall confer in good faith about an appropriate and legally compliant response to the request.

5.2 RGS shall provide services under this Agreement through one or more employees of RGS qualified to perform services contracted for by Agency. The positions of RGS staff that will coordinate services to the Agency are indicated in the **Exhibits**. The Executive Director or assigned supervising RGS staff will consult with Agency on an as-needed basis to assure that the services to be performed are meeting Agency's objectives. At any time the RGS employee may be providing services to one or more RGS clients concurrent with the services being provided under this Agreement.

5.3 Agency shall not have the ability to direct how services are to be performed, specify the location where services are to be performed, or establish set hours or days for performance of services, except as set forth in the **Exhibits**. Agency confirms that RGS employees are not assuming and are not expected to assume any Agency staff position(s).

5.4 RGS employees may require access to Agency's computer systems and networks to complete the assigned services. RGS requires its employees to agree to appropriate system usage policies, which include a pledge not to use partner agency electronic equipment for anything other than partner agency work. (These policies can be provided to Agency upon request.)

5.5 Agency shall not have any right to discharge any employee of RGS from RGS employment.

5.6 RGS shall, at its sole expense, supply for its employees providing services to Agency pursuant to this Agreement any and all benefits, such as worker's compensation, disability insurance, vacation pay, sick pay, or retirement benefits; obtain and maintain all licenses and permits usual or necessary for performing the services; pay any and all taxes incurred as a result of the employee(s) compensation, including employment or other taxes; and provide Agency with proof of payment of taxes on demand.

Section 6. General Liability Coverage. RGS, pursuant to California Government Code Section 990, may satisfy its contractual liabilities with self-insurance and/or participate in a pooled risk purchasing program. RGS has and will continue to maintain a program of liability coverage against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by RGS and its agents, representatives, employees, and subcontractors.

6.1 Workers' Compensation Coverage.

6.1.1 General requirements. RGS shall, at its sole cost and expense, maintain Workers' Compensation coverage and Employer's Liability coverage with limits of not less than \$1,000,000.00 per occurrence.

6.1.2 Waiver of subrogation. The Workers' Compensation coverage shall be endorsed with or include a waiver of subrogation in favor of Agency for all work performed by RGS, its employees, agents, and subcontractors.

6.2 Commercial General, Automobile, and Professional Liability Coverages.

6.2.1 General requirements. RGS, at its own cost and expense, shall maintain commercial general and automobile liability coverage for the term of this Agreement in an amount not less than \$2,000,000 per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. RGS shall additionally maintain commercial general liability coverage in an amount not less than \$2,000,000 aggregated for bodily injury, personal injury, and property damage.

6.2.2 Minimum scope of coverage. RGS coverage may not be written on ISO forms but will always provide coverage at least as broad as the latest version of the following: (A) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); and (B) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 001, code 1 (any auto).

6.3 Professional Liability Insurance. RGS, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability coverage for licensed professionals performing work pursuant to this Agreement in an amount not less than \$2,000,000 covering the licensed professionals' errors and omissions.

6.4 All Policies Requirements.

6.4.1 Coverage requirements. Each of the following shall be included in the coverage or added as an endorsement:

- a. Agency and its officers, employees, and agents, shall be covered as additional covered parties with respect to RGS' general commercial, and automobile coverage for claims, demands, and causes of action arising out of or relating to RGS' performance of this Agreement and to the extent caused by RGS' negligent act, error, or omission.
- b. An endorsement to RGS' general commercial and automobile coverages must state that coverage is primary with respect to Agency and its officers, officials, employees and agents.
- c. All coverages shall be on an occurrence or an accident basis, and not on a claims-made basis.

6.4.2 Acceptability of coverage providers. All coverages required by this section shall be acquired through providers with a Bests' rating of no less than A: VII or through sources that provide an equivalent level of reliability.

- 6.4.3 Verification of coverage.** Prior to beginning any work under this Agreement, RGS shall furnish Agency with notifications of coverage and with original endorsements effecting coverage required herein. The notifications and endorsements are to be signed by a person authorized to bind coverage on its behalf. Agency reserves the right to require complete, certified copies coverage at any time.
- 6.4.4 Subcontractors.** RGS shall include all subcontractors as insureds under its coverage or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- 6.4.5 Variation.** During the term of this Agreement, RGS may change the insurance program in which it participates. RGS will provide reasonable notice of any such change to Agency and replacement copies of Certificates of Coverage and endorsements.
- 6.4.6 Deductibles and Self-Insured Retentions.** RGS shall disclose any self-insured retention if Agency so requests prior to performing services under this Agreement or within a reasonable period of time of a request by Agency during the term of this Agreement.
- 6.4.7 Maintenance of Coverages.** The coverages stated herein shall be maintained throughout the term of this Agreement and proof of coverage shall be available for inspection by Agency upon request.
- 6.4.8 Notice of Cancellation or Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, RGS shall provide written notice to Agency at RGS earliest possible opportunity and in no case later than five business days after RGS is notified of the change in coverage.

Section 7. Legal Requirements.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** RGS and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Reporting Requirements.** If there is a statutory or other legal requirement for RGS to report information to another government entity, RGS shall be responsible for complying with such requirements.
- 7.4 Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, RGS and any subcontractors shall comply with all applicable rules and regulations to which Agency is bound by the terms of such fiscal assistance program.

- 7.5 **Licenses and Permits.** RGS represents and warrants to Agency that RGS and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to provide the services contemplated by this Agreement. RGS represents and warrants to Agency that RGS and its employees, agents, and subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.
- 7.6 **Nondiscrimination and Equal Opportunity.** RGS shall not discriminate on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided under this Agreement. RGS shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

Section 8. Keeping and Status of Records.

- 8.1 **Records Created as Part of RGS' Performance.** All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that RGS prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of Agency. RGS hereby agrees to deliver those documents to Agency upon termination of the Agreement, if requested. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for Agency and are not necessarily suitable for any future or other use.
- 8.2 **Confidential Information.** RGS shall hold any confidential information received from Agency in the course of performing this Agreement in trust and confidence and will not reveal such confidential information to any person or entity, either during the term of the Agreement or at any time thereafter. Upon expiration of this Agreement, or termination as provided herein, RGS shall return materials which contain any confidential information to Agency. For purposes of this paragraph, confidential information is defined as all information disclosed to RGS which relates to Agency past, present, and future activities, as well as activities under this Agreement, which information is not otherwise of public record under California law. Agency shall notify RGS what information and documents are confidential and thus subject to this section 8.2.
- 8.3 **RGS Books and Records.** RGS shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Agency under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment under this Agreement.

8.4 Inspection and Audit of Records. Any records or documents that Section 8.3 of this Agreement requires RGS to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds \$10,000.00, the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of Agency, for a period of three years after final payment under the Agreement.

Section 9. Non-assignment. This Agreement is not assignable either in whole or in part without the written consent of the other party.

Section 10. Amendments. This Agreement may be amended or modified only by written Agreement signed by both Parties.

Section 11. Validity. The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

Section 12. Disputes. Should any dispute arise out of this Agreement, Agency agrees that it shall only file a legal action against RGS, and shall not file any legal action against any of the public entities that are members of RGS.

Section 13. Venue/Attorneys' Fees. Any suit or action initiated by either party shall be brought in Alameda County, California. In the event of litigation between the Parties hereto to enforce any provision of the Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs of litigation.

Section 14. Mediation. Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement and each Party shall bear its own legal costs.

Section 15. Employment Offers to RGS Staff. Should Agency desire to offer permanent or temporary employment to an RGS employee who is either currently providing RGS services to Agency or has provided RGS services to Agency within the previous six months, said Agency will be charged a fee equal to the full-time cost of the RGS employee for one month, using the most recent RGS bill rate for the RGS employee's services to Agency. This fee is to recover RGS' expenses in recruiting the former and replacement RGS staff.

Section 16. Entire Agreement. This Agreement, including the **Exhibits**, comprises the entire Agreement.

Section 17. Indemnification.

17.1 RGS' indemnity obligations.

RGS shall indemnify, defend, and hold harmless Agency and its legislative body, boards and commissions, officers, and employees ("Indemnitees") from and against all claims, demands, and causes of action by third parties, including but not limited to attorneys' fees, arising out of RGS' performance of this Agreement, to the extent caused by RGS' negligent act, error, or omission. Nothing herein shall be interpreted as obligating RGS to indemnify Agency against its own negligence or willful misconduct.

Training disclaimer

Agency understands and acknowledges that RGS advisors may, as part of the scope of services under this Agreement, provide training on various matters including human resources, accounting, or management practices. The advice and guidance included in such training does not, and is not intended to, constitute legal advice; instead, all information, content, and materials provided are based on industry best practices, but may not be applicable in all situations. Agency staff should not act or refrain from acting on the basis of the information provided as part of a training without first seeking legal advice from counsel in its relevant jurisdiction and/or appropriate Agency approval. RGS' obligation to indemnify, defend, and hold harmless indemnities pursuant to this section 17.1 for professional errors and omissions shall not exceed \$500,000.

17.2 Agency's indemnity obligations. Agency shall indemnify, defend and hold harmless RGS and its officers, directors, employees and agents from any and all claims and lawsuits where such persons are named in the lawsuit solely because of a duty any of them performs in accordance with the services outlined in Exhibit B.

It is the intent of the parties here to define indemnity obligations that are related to or arise out of Agency's actions as a governmental entity. Thus, Agency shall be required to indemnify and defend only under circumstances where a cause of action is stated against RGS, its employees or agents:

- a. which is unrelated to the skill they have used in the performance of the duties delegated to them under this Agreement;
- b. when the allegations in such cause of action do not suggest the active fraud or other misconduct of RGS, its employees, or agents; or
- c. where an Agency employee, if he had been acting in a like capacity, otherwise would be acting within the scope of that employment.

Whenever Agency owes a duty hereunder to indemnify RGS, its employees or agents, Agency further agrees to pay RGS a reasonable fee for all time spent by any RGS employee, or spent by any person who has performed work pursuant to this Agreement, for the purpose of preparing for or testifying in any suit, action, or legal proceeding in connection with the services the assigned employee has provided under this Agreement.

17.3 Obligations and indemnity related to defined benefit retirement plan participation.

- a. RGS and Agency acknowledge and agree that, if Agency participates in a defined benefit plan (such as CalPERS, a pension plan, or Social Security) ("Retirement Program"), it is possible that the Retirement Program may find that RGS employees providing services pursuant to this Agreement are employees of Agency and should be registered with the Retirement Program as employees of Agency, which possibility is the same as if Agency were contracting with a private consulting firm. Pursuant to Section 5.1 of this Agreement, Agency has an obligation to treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of Agency. Agency agrees not to ask RGS employees for personally identifying information.
- b. In the event that the Agency's Retirement Program initiates an inquiry that includes examination of whether individuals providing services under this Agreement to Agency are Agency's employees, Agency shall inform RGS within five business days and share all communications and documents from the Retirement Program that it may legally share. In the event that either RGS or Agency files an appeal or court challenge, RGS and Agency each agree to cooperate with each other in responding to the inquiry and any subsequent administrative appeal or court challenge of an adverse determination. Notwithstanding Section 17.1 of this Agreement, RGS and Agency shall each bear their own costs in responding to an inquiry by a Retirement Program, including but not limited to costs of an administrative appeal or court challenge.
- c. In the event that any RGS employee or subconsultant providing services under this Agreement is determined by a court of competent jurisdiction or the Agency's Retirement Program to be eligible for enrollment in the Retirement Program as an employee of the Agency, to the fullest extent of the law, Agency shall indemnify, defend, and hold harmless RGS for any Retirement Program contribution payment that Agency is required as a result to make to the Retirement Program as well as for the payment of any penalties and interest on such payments, if any.

Section 18. Notices. All notices required by this Agreement shall be given to Agency and RGS in writing, by first class mail, postage prepaid, or by email transmission addressed as follows:

Agency: INFO

RGS: Regional Government Services Authority
P. O. Box 1350
Carmel Valley, CA 93924
Email: contracts@rgs.ca.gov

Notice by email transmission shall be deemed given upon verification of receipt if received before 5:00p.m. on a regular business day or else on the next business day.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized on their behalf.

DATED: _____

Agency

By: _____

AGENCY

DATED: _____

Regional Government Services Authority

By: _____

Sophia Selivanoff, Executive Director

Exhibit A

Compensation.

1. **Fees.** Agency agrees to pay to RGS the hourly rates set forth in the tables below for each RGS employee providing services to Agency, which are based in part on RGS' full cost of compensation and support for the RGS employee(s) providing the services herein described.

RGS and Agency acknowledge and agree that compensation paid by Agency to RGS under this Agreement is based upon RGS' costs of providing the services required hereunder. The Parties further agree adjustments to the hourly bill rate shown below for "RGS Staff" will be made on July 1 of each year, when RGS' hourly bill rates will be adjusted by the percentage change in the Consumer Price Index (Bureau of Labor Statistics, CPI for urban wage earners and clerical workers in the San Francisco-Oakland-San Jose area) ("CPI") for the twelve months through the end of December of the prior year. Irrespective of the movement of the CPI, RGS will not adjust its hourly rates downward; nor will RGS adjust its hourly rates upward in excess of a five percentage (5%) change, excepting instances where there was no increase in the prior year's hourly rates. In that event, RGS will adjust its hourly rates by the full percentage change in the CPI for the twelve months through the end of December of the prior year.

2. **Reimbursement of RGS' Direct Costs.** Agency shall reimburse RGS for direct external costs. Direct external costs, including such expenses as travel or other costs incurred for the exclusive benefit of the Agency are not included in the hourly bill rate and, will be invoiced to Agency when received and without mark-up. These external costs will be due upon receipt.
3. **Terms of Payment.** RGS shall submit invoices monthly for the prior month's services. Invoices shall be sent approximately 10 days after the end of the month for which services were performed and are due and shall be delinquent if not paid within 30 days of receipt. Delinquent payments will be subject to a late payment carrying charge computed at a periodic rate of one-half of one percent per month, which is an annual percentage rate of six percent, which will be applied to any unpaid balance owed commencing 7 days after the payment due date. Additionally, in the event the Agency fails to pay any undisputed amounts due to RGS within 15 days after payment due date, then Agency agrees that RGS shall have the right to consider said default a total breach of this Agreement and the duties of RGS under this Agreement may be terminated by RGS upon 5 working days' advance written notice.

Payment Process/Address. RGS prefers invoices be paid electronically.

RGS will reach out to your invoicing contact to establish and provide electronic payment instructions.

However, should you have questions or need other payment options, please contact:

Lindsay Rice, RGS Accounting Manager
(650) 587-7300X12 | lrice@rgs.ca.gov

[EXHIBIT A CONTINUES ON FOLLOWING PAGE]

AGENCY CONTACTS

Agency Billing Contact. Invoices are sent electronically only. Please provide the contact person to whom invoices should be sent:

NAME	EMAIL

Agency Insurance Contact. Please provide the contact person to whom the certificate of coverage should be sent:

NAME	EMAIL

RGS STAFF RATES

TITLE	HOURLY RATE*
Strategic Services Consultant	\$176
Senior Advisor	\$150
Advisor	\$128
Technical Specialist	\$114
Administrative Specialist	\$102

**The Hourly Rate does not include direct external costs which will be invoiced to Agency with no markup and will fall outside of the not-to-exceed (if established) for services provided.*

Exhibit B

Scope of Services. Subject to the terms and conditions of this Agreement, Regional Government Services Authority (RGS) shall perform the functions as described below:

- Perform the functions as assigned by the RGS lead advisor.
- Be reasonably available to perform the services during the normal work week.
- Meet regularly and as often as necessary for the purpose of consulting about the scope of work performed with the appropriate Agency project manager and with the RGS lead.
- Perform other duties as are consistent with the services described herein and approved by the RGS lead advisor.
- Perform related work as required as approved by the RGS lead advisor.
- Such employee may perform services at Agency offices available or at other locations.



STAFF REPORT

TO: **Board of Directors**

FROM: **Khadijah Kenyatté**

DATE: **April 25, 2024**

RE: **Handbook Revisions**

This Staff Report concerns East Kern Health Care District’s (“District”) recently revised employee handbook. Specifically, this Memorandum serves as a summary of the revisions made and the supporting rationale.

I. SUMMARY OF REVISIONS

The District’s Employee Handbook was revised in accordance with current law, best practices and in an effort to make the resource more user-friendly. The handbook was revised and made more succinct, changing the page count from forty-five pages to twenty-two pages.

II. REVISIONS AND RATIONALE

A. Introduction

- This section was revised to be more reader friendly. The introduction encompasses the purpose of the handbook, discipline if an employee violates a section of the handbook, at-will employment status and the District’s ability to amend the handbook at its discretion.

B. Employment

- Policies against harassment and retaliation were relocated to this section and streamlined for ease of reading and understanding.
- The “Immigration Law Compliance” language was eliminated altogether and it is likely this guidance is for the District’s internal HR professionals, not for employees.
- Employee classifications were included, but the District should review and determine which classifications are applicable to the District and delete those that are irrelevant.
- The “Reductions In Force” and “Outside Employment” sections were deleted altogether.

C. Conduct and Behavior

- This entire section was made more succinct, we provided a revised and shortened list of inappropriate behavior or conduct that could lead to discipline or corrective action, and removed the extensive list detailing conduct that constitutes abusive behavior.

D. Compensation

- We specified the pay periods and the deductions that are required by law to be deducted from an employee's paycheck.
- Language detailing cost of living adjustments were deleted altogether as this is not provided and paid time off and paid vacation day language was combined under a single subheading and detailed that the District does not provide either.

E. Benefits

- The "Employee Education Benefits" section was revised and there is guidance needed from the Board in regards to if this is a benefit the Board foresees itself providing and the maximum reimbursement number.
- The "Paid Sick Leave" section was revised in accordance with current laws, namely Senate Bill ("SB") 616 and the subsequently amended Government Code sections.
- The "Pregnancy Disability Leave" section was revised to detail the amount of leave granted, the manner in which leave can be taken, notice requirements and guidelines for employees returning after using PDL.

F. Health, Safety and Security

- A subheading/subsection was added to discuss reasonable suspicion testing for alcohol or drug usage.
- The "Workplace Violence Policy" section was shortened as a lot of the language should be included in the District's standalone workplace violence prevention plan (WVPP).

G. Workplace Guidelines

- The “Hours of Operation” section was revised, but if the Board has standard operating hours in mind, we’d recommend including this language.
- The “Gift Policy” was deleted altogether as this was not necessary.
- The “Social Media” usage subsection was streamlined.

H. Employment Separation

- This section was shortened to only include relevant information regarding resignations and the obligation to return District property after separation.

I. Miscellaneous

- This section discussed personal vehicle usage to carry out District business and parking. Personal vehicle usage is discussed under Section IV Workplace Guidelines and parking is eliminated from the handbook altogether.



HEALTH CARE DISTRICT

EMPLOYEE HANDBOOK

March 2024

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. EMPLOYMENT	1
A. EQUAL EMPLOYMENT OPPORTUNITY	1
B. REASONABLE ACCOMMODATIONS	1
C. POLICY AGAINST HARASSMENT AND RETALIATION	1
1. Internal Complaint Procedure	2
2. Agency Complaint Procedure	2
3. Retaliation	3
D. AT-WILL EMPLOYMENT STATUS	3
E. INTRODUCTORY PERIOD	3
F. EMPLOYMENT CLASSIFICATIONS	3
G. PERSONNEL RECORDS	4
H. EMPLOYEE REFERENCES	4
I. EMPLOYMENT OF RELATIVES	4
III. CONDUCT AND BEHAVIOR	1
A. GENERAL CONDUCT GUIDELINES	1
B. CORRECTIVE OR DISCIPLINARY ACTION	1
C. HARASSMENT, DISCRIMINATION, AND RETALIATION REPORTING	1
D. PERFORMANCE EVALUATION	2
IV. COMPENSATION	1
A. PAYROLL PERIODS	1
B. PAYROLL DEDUCTIONS	1
C. FINAL PAYCHECK AND RETURN OF DISTRICT PROPERTY	1
D. MERIT INCREASES	1
E. OVERTIME	1
F. COMPENSATORY TIME OFF POLICY	1
G. PAID HOLIDAY AND VACATION TIME	2
V. BENEFITS	1

A.	EMPLOYEE EDUCATION BENEFITS	ERROR! BOOKMARK NOT DEFINED.	
B.	PAID SICK LEAVE		1
C.	FAMILY AND MEDICAL CARE LEAVES		1
D.	PREGNANCY DISABILITY LEAVE – PDL		1
E.	MILITARY LEAVE		1
F.	MEDICAL LEAVE		1
G.	JURY SERVICE LEAVE		2
H.	LEAVE WITHOUT PAY		2
I.	ATTENDANCE AND ABSENCES		2
VI.	HEALTH, SAFETY, AND SECURITY		1
A.	NON-SMOKING		1
B.	DRUG AND ALCOHOL FREE WORKPLACE		1
C.	REASONABLE SUSPICION TESTING		1
D.	SAFETY POLICY STATEMENT		1
E.	DRIVER SAFETY		2
F.	MILEAGE REIMBURSEMENT		2
G.	INJURY AND ILLNESS PREVENTION PROCEDURES (IIPP)		2
H.	WORKERS’ COMPENSATION		2
I.	WORKPLACE VIOLENCE POLICY		2
VII.	WORKPLACE GUIDELINES		1
A.	HOURS OF OPERATION		1
B.	MEAL PERIODS		1
C.	REST PERIODS		1
D.	DRESS AND GROOMING STANDARDS		1
E.	CONFIDENTIALITY/CONFLICT OF INTEREST		1
F.	INTERNET, E-MAIL, AND ELECTRONIC COMMUNICATIONS POLICY		1
G.	SOCIAL MEDIA		2
H.	DISTRICT PHONE USAGE/PERSONAL CELL PHONES		2
I.	DISTRICT EQUIPMENT AND PROPERTY		3
J.	INSPECTIONS/SEARCHES		3

K.	PERSONAL VEHICLE USAGE	3
VIII.	EMPLOYMENT SEPARATION	1
A.	RESIGNATION	1
B.	PERSONAL POSSESSIONS & RETURN OF DISTRICT PROPERTY	1

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I. INTRODUCTION

East Kern Health Care District ("District") has prepared this Handbook to provide its employees with an overview of the District's policies, benefits and rules. This Handbook is intended to familiarize District employees with important information about the District, as well as information regarding an employee's privileges and responsibilities. Thus, all employees are required to read, understand, and follow the provisions of the Handbook. Failure to comply with any policy will subject an employee to discipline, up to, and including termination.

The District reserves the right to amend, supplement or rescind any provisions of this Handbook, other than the at-will employment provision. As policies and benefits are revised, notification regarding any significant update will be provided to employees. To obtain additional information regarding specific employment policies or procedures, employees are directed to contact their manager, the District Manager or the President of the Board of Directors.

II. EMPLOYMENT

A. EQUAL EMPLOYMENT OPPORTUNITY

The District affords equal opportunity in all aspects of employment to all employees and applicants for employment without regard to race, religion (including religious dress and/or grooming), creed, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), reproductive health decision-making, gender, national origin, ethnicity, ancestry, citizenship, age, physical or mental disabilities, color, marital status, registered domestic partner status, sexual orientation, gender identity or expression, genetic information, medical condition, military or veteran status, or any other basis protected by applicable law. This policy applies to all employees and applicants for employment, and extends to all phases of employment, including, but not limited to: recruitment, hiring, training, promotion, discharge or layoff, rehiring, compensation and any benefits.

B. REASONABLE ACCOMMODATIONS

The District provides reasonable accommodations for applicants or employees in accordance with applicable state and federal laws.

Any applicant or employee who requires an accommodation in order to perform the essential functions of the position should contact the District Manager or the President of the Board of Directors to request such accommodation.

C. POLICY AGAINST HARASSMENT AND RETALIATION

Harassment and discrimination in employment on the basis of sex (including pregnancy, childbirth, breastfeeding, or a related medical condition), reproductive health decision-making, gender, race, color, national origin, ancestry, citizenship, religion, creed, age, physical or mental disability, medical condition, sexual orientation, gender identity or gender expression, military or veteran status, marital status, registered domestic partner status, genetic information, or any other protected basis (collectively the "Protected Characteristics") is unlawful under federal and state law. Every individual is entitled to work free of discrimination or harassment based on any protected characteristic. The law prohibits all employees (including coworkers, supervisors, and managers), as well as third parties with whom the employee comes into contact, from engaging in this impermissible conduct. Accordingly, the District does not tolerate discrimination or harassment in the workplace or in any work-related situation. Unlawful discrimination and harassment violates the District's rules of conduct.

Unlawful harassment in employment may take many different forms. Some examples are:

- Verbal conduct such as epithets, derogatory comments, slurs, or unwanted comments and jokes;
Visual conduct such as derogatory posters, cartoons, drawings, or gestures;

Physical conduct such as blocking normal movement, restraining, touching, or otherwise physically interfering with work of another individual;

Threatening or demanding that an individual submit to certain conduct or to perform certain actions in order to keep or get a job, to avoid some other loss, or as a condition of job benefits, security, or promotion; and/or

Retaliation by any of the above means for having reported harassment or discrimination, or having assisted another employee to report harassment or discrimination.

Sexual harassment under these laws includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;

Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; and/or

Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

1. Internal Complaint Procedure

Discrimination and harassment in employment are not tolerated. The District prohibits retaliation for having made a report, and/or otherwise participating in the reporting or investigative process, under this policy.

Any individual who believes they are the object of harassment or discrimination on any prohibited basis, or who has observed such harassment or discrimination, or who believes they have been subjected to retaliation, should notify any supervisor, the District manager, or the Board President. Supervisors who receive a complaint under this policy shall report it to the Board President. The District will conduct a fair, timely, and thorough investigation, and will do so in a confidential manner, to the extent possible. The investigation will be performed by impartial and qualified personnel and will be appropriately documented. Following the investigation, the District will take such action as is warranted under the circumstances, and will timely close the matter.

2. Agency Complaint Procedure

Both the state and federal governments have agencies whose purpose is to address unlawful discrimination in the workplace. If an individual who provides services to the District believes they have been harmed by an unlawful practice, and is not satisfied with the District's response to their claims, they may file a written complaint with the California Civil Rights Department

("CRD") or the Equal Employment Opportunity Commission ("EEOC"). The local address for the CRD is 4800 Stockdale Highway, Suite 215 Bakersfield, CA 93309, and the applicable website is www.calcivilrights.ca.gov. The local address for the EEOC is Roybal Federal Building 255 East Temple St., 4th Floor Los Angeles, CA 90012, and the applicable website is www.eeoc.gov.

If, after an investigation and hearing, either of these agencies finds that unlawful discrimination has occurred, the injured employee may, depending on the circumstances, be entitled to reinstatement or promotion, with or without back pay.

3. Retaliation

Retaliation against any individual for making a report, or for participating in an investigation, under this policy is strictly prohibited. Individuals are protected by law and by District policy from retaliation for opposing unlawful discriminatory practices, for filing an internal complaint under this policy, for filing a complaint with the CRD or EEOC, or for otherwise participating in any proceedings conducted by the District under this policy and/or by either of these agencies.

D. AT-WILL EMPLOYMENT STATUS

Employment with the District is at-will, and accordingly may be terminated by the employee or the employer at any time without prior notice. Employees have no property interest in their employment with the District.

E. INTRODUCTORY PERIOD

All new District employees shall serve an introductory period of six (6) months commencing with their first day of employment, unless the District determines that an extension of that period is warranted. The purpose of this period is for the District and the employee to get acquainted with one another and determine whether the continuation of the employment relationship is in the mutual interest of both parties.

Upon the completion of the introductory period, a performance evaluation will be to ascertain the advisability of continued employment on a non-introductory employment basis. The introductory employee will be advised in writing of the performance evaluation results and of their employment status. Satisfactory completion of the introductory period does not alter the at-will nature of the employment relationship.

A rehired former employee who has been separated from the District for more than one (1) year will be subjected to a similar six (6) month introductory period.

F. EMPLOYMENT CLASSIFICATIONS

In order to determine an employee's classification and eligibility for various District-provided benefits, the following employment categories have been established:

1. Introductory Employee: A newly hired employee for the first six (6) months of their employment or a former employee who has been rehired after a separation from the District of more than one (1) year.
2. Regular Full-Time Employee: An employee that regularly works a minimum of thirty (30) hours per week on a continuing basis and who has successfully completed their introductory period.
3. Regular Part-Time Employee: An employee who regularly works fewer than thirty (30) hours but more than ten (10) hours per week and who has successfully completed their introductory period.
4. Temporary Employee: An employee who is hired for a particular project or a job of limited or indefinite duration.
5. Exempt Employee: Employees whose positions meet specific guidelines established by the Fair Labor Standards Act ("FLSA") and applicable state laws, thus exempting the employee from overtime pay requirements.
6. Non-Exempt Employee: Employees whose positions do not meet FLSA and state exemption tests and who are paid overtime wages for overtime hours worked in accordance with applicable laws.

G. PERSONNEL RECORDS

The District maintains confidential personnel files or records of its employees and former employees.

Employees are expected to timely notify their supervisor, the District Manager or the President of the Board if there is a change in the employee's name or contact information, including, but not limited to a change in home address or telephone number.

Employees may request an opportunity to inspect or obtain a copy of the contents of the District's personnel file maintained on them by submitting a written request to their supervisor, the District Manager or the President of the Board.

H. EMPLOYEE REFERENCES

The District restricts the release of information regarding current and former employees provided to individuals and entities outside of the District. The District will normally verify only a former or current employee's dates of employment and positions held. A written disclosure authorization and release may be required of the former or current employee before any information is provided to an outside requester.

I. EMPLOYMENT OF RELATIVES

The District may consider applicants for employment who are relatives of a current employee. Employees' relatives will not be eligible for employment with the District where potential problems of supervision, safety, security or morale, or potential conflicts of interest exist. Relatives include, but is not limited to, an employee's parent, child, spouse, brother, sister, in-

laws and step relationships and other familial relationships as determined at the District's discretion.

If two employees marry or become related, and the potential problems noted above exist, only one of the employees will be permitted to continue their employment with the District unless a reasonable accommodation can be made to eliminate all potential problems. The decision as to which relative will remain in District employment must be made by the two employees within thirty (30) calendar days. If no decision has been made during the allotted timeframe, both employees will be transferred or terminated, at the sole discretion of the Board of Directors.

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III. CONDUCT AND BEHAVIOR

A. GENERAL CONDUCT GUIDELINES

The District's objective is to maintain an efficient, productive and cooperative workplace.

Below are a few examples of conduct that do not accord with these goals, and which the District considers inappropriate in the workplace or in a work-related situation. This list is illustrative and not exhaustive.

1. Insubordination, inconsiderate or unprofessional conduct.
7. Violation of any District policy, including but not limited to its policy prohibiting unlawful harassment or its drug-free workplace policy.
8. Actual or threatened violence, intimidation, fighting or bullying.
9. Unauthorized release of confidential information about the District, District employees or District customers/consumers.
10. Theft, damaging, or the unauthorized removal or possession of property belonging to the District, colleagues, or anyone generally on District property.
11. Falsifying or mishandling any District record, including but not limited to an employment application or any time-keeping record.
12. Excessive or unauthorized absence or tardiness.
13. Bringing on District property dangerous or unauthorized materials, such as explosives, firearms, or other similar items.
14. Unsatisfactory job performance.

B. CORRECTIVE OR DISCIPLINARY ACTION

All District employees are expected to meet performance standards and to behave appropriately in the workplace. The goal is to guide the employee to correct their performance or behavior by identifying the problems, causes and solutions.

At the District's discretion, corrective or disciplinary action may be in the form of counseling, written or oral reprimand, notice(s) of inadequate job performance, suspension, discharge, termination or in any combination of the above. The District is not required to take any particular disciplinary steps in any particular order. The District may impose any level of discipline it deems appropriate, including termination in the first instance.

C. HARASSMENT, DISCRIMINATION, AND RETALIATION REPORTING

ANTI-BULLYING

Bullying or abusive conduct in the workplace is strictly prohibited. Bullying is described as conduct in the workplace that is malicious, hostile or offensive, and unrelated to the employer's legitimate business interests.

Examples of bullying or abusive conduct includes but is not limited to: (1) repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets;(2) verbal or physical conduct that is threatening, intimidating, or humiliating; and (3) the sabotage or undermining of a person's work performance.

Employees are encouraged to report instances of bullying or abusive conduct to their immediate supervisor, the District Manager or to the President of the Board.

D. PERFORMANCE EVALUATION

Performance evaluations are generally conducted upon an employee's completion of their introductory period, approximately six (6) months later, and annually thereafter. An evaluation will also be given within ninety (90) days after a transfer or change in the employee's job classification. This formal evaluation will be in writing.

Performance evaluations do not automatically result in increases in salary or promotions.

IV. COMPENSATION

A. PAYROLL PERIODS

The District pay period occurs twice per month. District pay periods end on the 15th and last day of each month.

B. PAYROLL DEDUCTIONS

Deductions as required by law will be made from each employee's wages. These include but are not limited to, state and federal income taxes, social security taxes (FICA), and state disability insurance (SDI) payments. Deductions may also be made for health insurance premiums, upon employee authorization.

C. FINAL PAYCHECK AND RETURN OF DISTRICT PROPERTY

Employees who are discharged will be paid all wages due at the time of termination, including any accrued but unused compensatory time.

D. MERIT INCREASES

Employees with a minimum of six (6) full calendar months of employment with the District may be eligible to be considered for a merit increase at the District's discretion. Merit increases, if any are provided, are provided at the discretion of the Board of Directors. Merit increases are not guaranteed following a positive performance appraisal, evaluation or at any other time.

E. OVERTIME

District employees will occasionally be asked and/or required to work overtime as necessary. Non-exempt employees who work overtime will be paid for their overtime hours worked in accordance with all legal requirements.

All overtime work by a non-exempt employee must be approved in advance by an employee's supervisor. Because unauthorized overtime is against company policy, employees who work unauthorized overtime are subject to discipline.

F. COMPENSATORY TIME OFF POLICY

Only non-exempt employees may be eligible to elect to receive compensatory time off ("CTO") as exempt employees are paid a fixed salary that is intended to compensate them for all hours worked.

At the non-exempt employee's option, CTO, can be earned up to a total of forty (40) hours. Compensatory time will be earned at the rate of 1.5 hours for every overtime hour worked. When the maximum number of CTO hours has been reached, any overtime hours worked in excess of forty (40) CTO hours will be paid as overtime wages.

To receive compensatory time in lieu of overtime pay, the employee must notify the District Manager in writing of their intent to do so within a reasonable time period. The employee is also required to make a notation on their timesheet of their request to receive accrued CTO in lieu of overtime pay.

If employment with the District ends, any accrued compensatory time shall be paid out pursuant to the employee's current rate of pay.

G. PAID HOLIDAY AND VACATION TIME

The District recognizes state and federal holidays as unpaid time off.

V. BENEFITS

A. PAID SICK LEAVE

Employees are granted or accrue a minimum of five (5) days or forty (40) hours of paid sick time per year and may accrue up to a maximum of ten (10) days or eighty (80) hours. An employee is eligible to begin using paid sick leave after their 90th day of employment with the District.

Accrued sick days are not paid out upon separation from employment.

B. FAMILY AND MEDICAL CARE LEAVES

To be eligible for leave under the California Family Rights Act (CFRA), all three of the following requirements must be met:

- 1) Have been employed with the District for at least twelve (12) months;
- 2) Have worked a minimum of 1,250 hours during the twelve (12)-month period immediately preceding any leave request; and
- 3) As of the date of the leave request, the District must employ at least five (5) full- and/or part-time employees at the employee's worksite or within seventy five (75) road miles of the worksite.

C. PREGNANCY DISABILITY LEAVE – PDL

Under California state law, employees are eligible for PDL if they have a pregnancy related disability. The eligible employee is entitled to up to four (4) months of leave, upon the certification of the healthcare provider that the employee is disabled by pregnancy. Leave can be taken all at once or intermittently. Employees are required to provide the District with at least thirty (30) days' notice where practicable.

Employees returning from PDL are reinstated to their same or comparable position with the District, in accordance with the law. Employees are required to use accrued paid sick time during their PDL.

During PDL, employees continue participating in the District's group health plans, to the same extent and under the same terms and conditions as if they were actively working during the leave period.

D. MILITARY LEAVE

Employees are granted military leave in accordance with applicable law.

E. MEDICAL LEAVE

When an employee requests a medical leave of absence, the employee must provide documentation from their healthcare provider stating the employee is temporarily precluded from work due to a medical condition. Upon receipt of medical verification of the need for leave, the District will consider granting the leave.

Upon returning from medical leave, employees are required to submit written certification from their healthcare provider releasing them to resume work, including any restrictions on the ability to work and the duration of restrictions, if any.

Employees are required to use any accrued sick leave during their medical leave.

F. JURY SERVICE LEAVE

The District encourages its employees to fulfill their civic duty and serve jury duty. Time off for non-exempt employees to serve jury duty is without pay, and exempt employees will receive their full salary for any week of jury service during which they perform any work for the District. Employees are required to submit a copy of the jury duty service summons to their supervisor and the District Manager or President of the Board.

Employees are to report to work on any day, or portion thereof that is not actually spent in the performance of jury service. For each week of jury duty, the District requires its employees to provide the District with a certificate of jury service, certified by the Court.

G. LEAVE WITHOUT PAY

Upon written request and subject to approval by the Board of Directors, a regular full-time employee may be granted a personal leave of absence without pay not to exceed thirty (30) days.

H. ATTENDANCE AND ABSENCES

Regular attendance and punctuality is expected of all District employees. If an employee is unable to report to work or will be more than ten (10) minutes late, employees are required to notify their supervisor, the District Manager or the President of the Board as soon as practicable. Disciplinary action may be imposed against an employee who is absent or late without authorization, or without proper notice or justification.

VI. HEALTH, SAFETY, AND SECURITY

A. NON-SMOKING

The District is committed to a philosophy of good health and a safe work environment. In keeping with this philosophy, smoking of any kind, including the use of smokeless tobacco products, and marijuana, is not permitted in any District buildings, facilities, equipment, or vehicles. Employees wishing to smoke should do so only during their break and meal periods, outside of District buildings, and in designated smoking areas. This policy covers all District premises at all times, including before and after normal working hours.

B. DRUG AND ALCOHOL FREE WORKPLACE

The District is committed to maintaining a drug and alcohol free workplace. Accordingly, employees are not permitted to use, possess, sell or distribute, dispense, or be under the influence of drugs or alcohol in the workplace.

The sole exception to this prohibition is the authorized use of lawful medication, provided such use does not render the employee "under the influence."

C. REASONABLE SUSPICION TESTING

An employee must submit to a drug and/or alcohol test upon the District's request when their supervisor or District Manager has reasonable suspicion to believe that the employee is in possession of or under the influence of a controlled substance while within the workplace. A refusal to consent to reasonable suspicion testing will be treated as a positive test result and the employee will be disciplined accordingly.

Some examples of conduct or behaviors that may result in a conclusion of reasonable suspicion, include, but are not limited to the following:

- Speech (slurred, slow, distracted mid-thought, inability to verbalize thoughts);
- Odors (smell of alcohol, body odor, or urine);
- Movements (unsteady, fidgety, dizzy);
- Eyes (dilated, constricted, or watery eyes, or involuntary eye movements);
- Face (flushed, sweating, confused or blank look);
- Emotions (argumentative, agitated, irritable, drowsy);
- Actions (yawning, twitching); and/or
- Inactions (sleeping, unconscious, no reaction to questions).

D. SAFETY POLICY STATEMENT

The District strives to provide a safe workplace which similarly requires its employees to be safety conscious. Employees are expected to report any unsafe or hazardous condition to their supervisor or the manager in charge immediately. Every effort will be made to remedy problems as quickly as possible.

In the event of an accident involving personal injury, regardless of how minor, employees are expected to timely notify their supervisor and/or the District Manager. Failure to timely report accidents may impact the processing of insurance and benefit claims.

E. DRIVER SAFETY

The District is committed to making certain that its employees with driving responsibilities do not place the District, other employees or member of the public at risk. The District requires all employees with driving responsibilities to maintain a safe driving record as a condition of employment.

For positions that require driving, the District may require its employees and applicants to furnish relevant portions of their driving record or require authorization permitting the District to request records directly from the Department of Motor Vehicles (DMV).

F. MILEAGE REIMBURSEMENT

The District reimburses all employees for mileage in accordance with the Internal Revenue Service (IRS) mileage rates. Reimbursement requires the employee to complete an expense account form.

G. INJURY AND ILLNESS PREVENTION PROCEDURES (IIPP)

The District is committed to maintaining a safe and healthy work environment. Towards this end, the District maintains an IIPP policy.

H. WORKERS' COMPENSATION

The District carries workers' compensation insurance and all employees are eligible for coverage, on their first day of employment. This insurance is intended to provide medical care and provide some compensation for lost time resulting from injuries on the job and those illnesses caused by an employee's work. Employees are required to timely report all job-related injuries or illnesses to their supervisor or the District Manager.

I. WORKPLACE VIOLENCE POLICY

The District is committed to providing a workplace that is free from acts of violence or threats of violence. In keeping with this commitment, the District has established a "zero-tolerance" policy for actual or threatened violence against employees, visitors, or any other persons who are either on the District's premises or have contact with employees in the course of their duties.

VII. WORKPLACE GUIDELINES

A. HOURS OF OPERATION

Employees are typically scheduled to work Monday through Friday. Various factors, such as workloads, operational efficiency, and staffing needs, may require variation in an employee's starting and quitting times and total hours worked each day or week. All non-exempt employees are required to record all time worked and never work off the clock.

B. MEAL PERIODS

The District provides at least a thirty (30)-minute uninterrupted, unpaid meal period to employees who work five (5) hours or more. The District will provide an additional thirty (30)-minute uninterrupted, unpaid meal period when employees work more than twelve (12) hours in a day.

C. REST PERIODS

The District provides employees one paid 10-minute rest break for every four (4) hours worked.

D. DRESS AND GROOMING STANDARDS

The District prides itself on the professional atmosphere it maintains and the favorable image that employees present as representatives of the District. Employees are expected to use their best judgment in determining their appearance and dress, consistent with the District's standards and the positive image and professional atmosphere it wishes to maintain. The District requires its employees to observe good habits of grooming and personal hygiene, and dressing in a manner appropriate for a casual business setting.

E. CONFIDENTIALITY/CONFLICT OF INTEREST

There are aspects of the District's business operations and activities that are confidential. There shall be no disclosure of confidential information to anyone outside the District without appropriate authorization. All District employees are expected to take all necessary steps to safeguard all confidential information.

F. INTERNET, E-MAIL, AND ELECTRONIC COMMUNICATIONS POLICY

Employees who utilize electronic communications devices must do so in a legal, ethical and appropriate manner. The District's electronic communications systems include, but is not limited to: District computers, District-owned electronic devices, email, and Internet communications (collectively referred to as the "District Systems").

Employees have no expectation of privacy with respect to information created on, transmitted over, received by, or stored on the District Systems. The District routinely monitors the District Systems including email and Internet communications.

Employees are encouraged to utilize sound judgment whenever using the District Systems. Employees must understand and adhere to the following:

1. The District's policy against unlawful harassment, including sexual harassment, extends to the use of District Systems. Employees shall not use any electronic communication device in a manner that violates the District's policy prohibiting harassment, discrimination or that violates any other District policy.
15. Employees are not permitted to use the District Systems for a purpose that is not for the direct and immediate benefit of the District.
16. Employees are not permitted to use the District Systems in a manner that violates the trademark, copyright, or license rights of any other person, entity or organization.
17. Employees are not permitted to use the District Systems in a manner that infringes upon the rights of other persons, entities or organizations to proprietary, confidential or trade secret information.
18. Employees are not permitted to use the District Systems for any purpose that is competitive, either directly or indirectly, to the interests of the District or for any purpose that creates an actual, potential or apparent conflict of interest.

G. SOCIAL MEDIA

Social media provides a powerful vehicle for the communication of information, including experiences, opinions, perspectives, and insights and generally connects persons around the world. Usually, communications and postings on social media are neither private nor confidential and those who engage in such communications risk the possibility that their communications will be forwarded or shared with unintended recipients and may be located with search engines long after the communications are made. The contents of the communications are generally controlled and regulated by members of the user community rather than the sponsor or provider of the site or a third party.

District employees who participate in activities and communications using social media (e.g., Facebook, Instagram, Twitter/X, Reddit, etc.) should do so with a recognition and appreciation of the risks. Employees who use social media are expected to comply with all applicable District policies. Nothing in this policy is designed to interfere with, restrain, or prevent employee communications regarding wages, hours, or other terms and conditions of employment. District employees have the right to engage in or refrain from such activities.

H. DISTRICT PHONE USAGE/PERSONAL CELL PHONES

All District telephones, including District-provided cell phones, are restricted to the use related to District business. Employees are to refrain from using District telephones for personal reasons, with the exception of emergency situations and/or if authorized by a supervisor.

The use of personal cell phones during working hours represents an obvious distraction that can impact an employee's productivity and efficiency as well as workplace safety. Thus, District employees are discouraged from using their personal cell phones during working hours.

I. DISTRICT EQUIPMENT AND PROPERTY

All District property and equipment, including but not limited to, vehicles, equipment, tools, machines, supplies and desks (collectively referred to as "District Property"), are to be used for District business and operation only. Employees are required to maintain all District Property in accordance with applicable District rules and regulations. There shall be no abuse, misuse, careless or intentional damage of any District property or the property of fellow employees. The District reserves the right to inspect all District Property, with or without notice to the employee and/or in the employee's absence.

J. INSPECTIONS/SEARCHES

The District has established a policy concerning inspections and searches on District premises. The District reserves the right to conduct an inspection or search at any time on District premises, of District Property or District Systems. Anything brought onto District premises, may be subject to search or inspection.

K. PERSONAL VEHICLE USAGE

Employees are not permitted to use their personal vehicle for District-business unless expressly authorized to do so. In the event a position or task requires an employee to operate their personal vehicle for District-business, the employee will be required to submit proof of a current and valid state driver's license as well as insurance coverage.

VIII. EMPLOYMENT SEPARATION

A. RESIGNATION

Employees are requested to provide their supervisor at least two (2) weeks' advance written notice of resignation. An exit interview may be requested.

B. PERSONAL POSSESSIONS & RETURN OF DISTRICT PROPERTY

Employees are expected to return all District property in their possession or control immediately upon termination or resignation from District employment. Items expected to be returned include but are not limited to, computer equipment, keys, tools, and District credit cards.

ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE HANDBOOK

I acknowledge that I have received a copy of the District's Employee Handbook. I understand that the Handbook contains important information regarding the District's general personnel policies and my privileges and obligations as a District employee. I acknowledge that I am expected to read, understand, and adhere to District policies and accordingly, I will familiarize myself with the material provided in this Handbook.

I understand that I am governed by the contents of the Handbook. I further understand that the District may change, rescind or add to any policies, benefits or practices as described in the Handbook, other than the employment-at-will policies, from time to time in its sole and absolute discretion, with or without prior notice. I understand that the District will advise employees of material changes within a reasonable timeframe.

Furthermore, I understand that employment with the District is not for a specified term and is at the mutual consent of the employee and the District (i.e., "at-will employment"). Accordingly, I understand that either I or the District can terminate the at-will employment relationship at any time, with or without cause, reason or advance notice.

Print Name

Date

Signature



May 2, 2024

East Kern Health Care District
8051 Bay Avenue
California City, CA 93505

Dear Members of the Board of Directors,

Please accept this letter resigning TurningWest from our contract to deliver “Guided Negotiation and Strategic Planning” services to your organization. We have reached an impasse on how we see this project moving forward and it is best for us to part ways at this juncture.

We have completed two of the three major milestones, the Letter of Intent (LOI) and the Community Engagement process. You have in your possession our Invoice #1662 for \$10,000 for the Community Engagement process deliverable. Payment by you of this invoice will complete our agreement with you. You will receive no further invoices beyond this one.

Peace,

A handwritten signature in blue ink that reads 'Steven J Goodwin'.

Dr. Steven Goodwin
President & CEO

10-B

53

LEASE AGREEMENT

The Lease Agreement ("Lease") is made by East Kern Healthcare District ("Landlord") and **Cajon Medical Group** ("Tenant") as of April [REDACTED], 2024.

1. **Leasehold Premises**

Landlord hereby leases to Tenant approximately 2,691 square feet of office space at 9278 N North Loop Blvd. in California City, County of Kern, State of California (the "Premises").

2. **Month-to-Month Lease Term**

The term of the Lease shall commence on April [REDACTED], 2024 ("Commencement Date"), and continue as a month-to-month Lease. The Lease may be terminated by either the Landlord or the Tenant on 30 days notice.

3. **Consideration**

Lease of Property for Lease Term: Landlord leases the Premises to Tenant and Tenant leases the Premises from Landlord on a month-to-month basis. Tenant shall pay Rent, as defined below, in advance on the first day of each month beginning on the Commencement Date at Landlord's address in Section 12, "Notice".

- (a) Tenant shall pay **base rent in the amount of Two Thousand, Four Hundred Dollars (\$2,400.00)** per month. If the Commencement Date is other than the first day of the month Base Rent shall be prorated on a daily basis, based on a thirty day month.
- (b) It is acknowledged that Tenant has been occupying the Premises as an assignee of the previous tenant commencing on or about January 1, 2024. Upon execution of this Lease, Tenant shall pay Landlord the Base Rent in the amount stated above for the months of January, February, and March 2024, i.e., \$7,200.
- (c) Rent Interest if the Base Rent is not timely paid to Landlord at the rate of 1.5 percent per month on the unpaid balance or portion thereof, until paid in full.

5. **Use of Premises**

The Premises shall be used by Tenant as a patient medical clinic and office space only, and for no other purpose unless approved in writing by the Landlord.

- (a) **Manner of Use.** Tenant shall not cause or permit the Premises to be used in any way which constitutes a violation of any law, ordinance, or governmental regulation or order, which annoys or interferes with the rights of other tenants of Landlord, or which constitutes a nuisance or waste. Tenant shall obtain and pay for all permits, including a Certificate of Occupancy, required for Tenant's occupancy of the Premises and shall promptly take all actions necessary to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements regulating the use by Tenant of the Premises, including the Occupational Safety and Health Act.
- (b) **Hazardous Materials.** As used in this Lease, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints,

solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds, and other chemical products, asbestos, PCBs, and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. Tenant shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated, or disposed of in or about Premises by Tenant, its agents, employees, contractors, subtenants, or invitees without prior written consent of Landlord. Landlord shall be entitled to take into account such other factors or facts as Landlord may reasonably determine to be relevant in determining whether to grant or withhold consent to Tenant's proposed activity with respect to Hazardous Material. In no event, however, shall Landlord be required to consent to the installation or use of any storage tanks on the Premises.

- (c) Tenant must not, without Landlord's prior written consent, keep anything within the Premises or use the Premises for any purpose which creates a risk of toxic or otherwise hazardous substances or which increases the insurance premium cost or invalidates any insurance policy carried on the Premises or other parts of the Premises. All property kept, stored or maintained within the Premises by Tenant is at Tenant's sole risk. Tenant indemnifies Landlord and holds Landlord harmless from and against any and all liability, liens, claims, demands, damages, expenses, fees, costs, fines, penalties, suits, proceedings, actions and causes of action (including, but not limited to, all attorneys' fees and expenses) arising out of or relating to, directly or indirectly, any violation or alleged violation by Tenant of any law, rule or regulation relating to the Premises ("Environmental Laws"), now existing or later arising, except for violations of Environmental Laws caused by Landlord. This indemnification survives the expiration or termination of this Lease. Tenant must immediately notify Landlord if Tenant suspects, discovers or receives notice of any violation of Environmental Laws, and agrees to cooperate with Landlord in identifying and investigating any such violation or suspected violation. Tenant further agrees to abide by the terms of any and all protocols, procedures and agreements of which Landlord gives Tenant written notice and which address the detection, management or remediation of environmental or health hazards at the Premises.
- (d) Tenant is responsible for keeping the Premises secure and to make expenditures sufficient to provide security of the Premises generally in keeping with security measures of similar leased property within the same geographical area as the Premises. TENANT ACKNOWLEDGES AND AGREES THAT LANDLORD MAKES NO REPRESENTATION OR WARRANTY REGARDING THE SECURITY OF THE DEMISED PREMISES OR THE MANNER OR ADEQUACY OF SECURITY SERVICES TO BE PROVIDED BY TENANT.
- (e) **Landlord's Access.** Landlord or its agents may enter the Premises at all reasonable times to show the Premises to potential buyers, investors or other parties; to do any other act or to inspect and conduct tests in order to monitor Tenant's compliance with all applicable environmental laws and all laws governing the presence and use of Hazardous materials; or for any other

purpose Landlord deems necessary. Landlord shall give Tenant prior notice of such entry, except in the case of an emergency.

- (f) **Quiet Possession.** If Tenant pays the rent and complies with all other terms of this Lease, Tenant may occupy and enjoy the Premises for the full Term of the Lease, subject to the provisions of this Lease.

6. Delivery of Premises

By entering into this Lease Agreement, Tenant agrees that Tenant was granted ample time and opportunity to inspect the Premises and to have qualified experts inspect the Premises prior to the execution of this Lease. Tenant accepts the Premises, including all improvements located on the Premises, "AS IS" and "WHERE IS," "WITH ALL FAULTS," with Tenant accepting all defects, if any. Landlord makes no warranty, express or implied, with respect to the Premises, including any Build-Out of the Premises, including but not limited to any warranty as to the habitability, fitness or suitability of the Premises (including any Build-Out of the Premises) for a particular purpose or as to the absence of any toxic or otherwise hazardous substances. Tenant agrees that neither Landlord nor any of Landlord's representatives or agents (collectively, "Landlord Related Persons") have made or given any warranties, guaranties, or representations of any kind whatsoever, whether oral or written, express or implied, including but not limited to any express or implied warranties or representations regarding the water, soil or geology of the Premises; the presence or absence of hazardous or toxic substances as such terms are defined in federal, state or local laws; the status or effect of present zoning of platting, if any, of the Demise Premises; or regarding the past or present compliance of Landlord with laws and regulations pertaining to health, safety, design, construction, accessibility, land use, environmental matters, pollution, or any laws pertaining to the handling, generating, treating, storage, transporting or disposing of hazardous substances.

7. Fixtures; Alterations; Signage

In accordance with California law and only upon prior written consent of Landlord, Tenant may remove all equipment and personal property, but not fixtures, placed or installed in or upon premises by the Tenant or under its authority. Tenant shall return the Premises to Landlord in as good condition as when rented, ordinary wear and tear excepted. Tenant shall not make any alternations in or on the Premises without first obtaining written consent of Landlord. Tenant shall not, without Landlord's prior written consent, (a) make any changes to the building front; (b) install any exterior signs, windows, or door lettering, placards, or advertising media of any type, lighting, decorations, paintings, awnings, canopies, or the like; or (c) erect or install any interior signs; window or door lettering, placards, decorations, or advertising media of any type within six feet of any exterior window, or wall. All signs, lettering, placards, banners, portable signs, decorations, and advertising media must conform in all respects to the sign criteria established by Landlord for the Premises from time to time in its sole discretion. All signage is subject to Landlord's requirements as to construction, method of attachment, size, shape, height, lighting, color, and general appearance. Tenant must keep all signs in good condition and in proper operating order at all times.

8. Conditions of Premises

- (a) **Existing Conditions.** Tenant accepts the Premises in its condition as of the executing of the Lease, subject to all recorded matters, laws, ordinances, and governmental regulations and orders. Except as provided herein, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation as to the condition of the Premises or the suitability of the Premises for Tenant's intended use. Tenant represents and warrants that Tenant has made

its own inspection and inquiry regarding the condition of the Premises and is not relying on any representations of Landlord or any Broker with respect thereto. If Landlord's Broker has provided a Property Information Sheet or other Disclosure Statement regarding the Premises, a copy is attached as an exhibit to the Lease.

- (b) **Exemption of Landlord from Liability.** Landlord shall not be liable for any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise, or other property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from: (a) fire, steam, electricity, water, gas, or rain; (b) the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures or any other cause; (c) conditions, arising in or about the Premises or from other sources or places; or (d) any act or omission of any other tenant of Landlord. Landlord shall not be liable for any such damage or injury even though the cause of or the means of repairing such damage or injury are not accessible to Tenant. The provisions of this subsection shall not, however, exempt Landlord from liability for Landlord's gross negligence or willful misconduct.
- (c) **Condition upon Termination.** Upon the termination of the Term of the Lease, Tenant shall surrender the Premises to Landlord in the same condition as received except for ordinary wear and tear which the Tenant was not otherwise obligated to remedy under any provisions of the Lease.
- (d) **Maintenance and Repair of Premises.** District shall keep in good repair and maintain the Premises, except Tenant shall keep in good repair and maintain at its own expense the interior walls, floors, lighting, and personal property and equipment of Tenant. Tenant shall be liable for all damage to the Premises caused by Tenant or its employees, contractors, invitees, guests, agents and/or representatives. Should Tenant fail, neglect or refuse to commence required repair or maintenance work within 30 days after written notice by District, or fail, neglect or refuse to pursue repair or maintenance work with reasonable diligence to completion, the District may perform, or cause to be performed, said repair or maintenance work and add the reasonable cost thereof to the installments of rent next due as charge to the Tenant.
9. **Assignment**
Tenant shall not assign this Lease or sublease the Premises, or any right or privilege thereof, without Landlord's prior written consent. One consent by Landlord shall not be a consent to a subsequent assignment or sublease. Tenant's unauthorized assignment or sublease shall be void and shall terminate this Lease at Landlord's option. Tenant's interest in this Lease is not assignable by operation of law.
10. **Attorney's Fees and Costs**
If Tenant or Landlord shall be in breach or default under this Lease, such party (the "Defaulting Party") shall reimburse the other party (the "Nondefaulting Party") upon demand for any costs or expenses that the Nondefaulting Party incurs in connection with any breach or default of the Defaulting Party under this Lease, whether or not suit is commenced or judgment entered. Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights, or otherwise. Furthermore, if any action for breach of or to enforce the provisions of this Lease is commenced, the court in such action shall award to the party in whose

favor a judgment is entered, a reasonable sum as attorneys' fees and costs. The losing party in such action shall pay such attorneys' fees and costs.

11. Utilities

Landlord shall pay and be responsible for furnishing of utility services to the Premises including trash, waste services, and water systems. Tenant shall pay for and be responsible for furnishing of electricity, telephone service, internet, and gas. .

12. Notice

Notices desired or required to be given by this Lease may be given by certified mail or overnight mail or delivery, and delivered to the place designated below or otherwise designated by the party to receive such notice:

Landlord: East Kern Health Care District
P.O. Box 2546
California City, CA 93505

Tenant: Cajon Medical Group
ATTN: [Name]
[Address]

13. Compliance

Tenant shall comply with all applicable laws, rules and regulations concerning the use of the Premises.

14. Indemnification

(a) Tenant shall hold Landlord, its officers, agents and employees, free and harmless from liability, costs and damages, including attorney's fees, resulting from negligent and intentional acts or omissions to act, by Tenant, its officers, agents or employees, arising out of Tenant's occupancy of the Premises. Tenant shall release, defend, indemnify and save Landlord harmless from and against any damage, liabilities, penalties and losses (including technical expenses, attorney's fees and costs) occasioned by, growing out of, or arising or resulting from Tenant's disposal or release of any hazardous substances, as the term is defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), or similar California law, and their accompanying regulations, in or on the Premises and the cost for the cleanup, disposal, excavation or other response or remedial action as required by law or by any governmental authority for any hazardous substances which Tenant releases or disposes in or on the Premises.

(b) To the fullest extent permitted by law, Tenant covenants with Landlord that Landlord shall not be liable for any damage or liability of any kind or for any injury to or death of persons, or damage to property of Tenant or any other person occurring from and after the Commencement Date of this Lease (or such earlier date if Tenant is given earlier access to the Premises), from any cause whatsoever related to the use, occupancy or employment of the Premises by Tenant or any person thereon or holding under Tenant or to any default by Tenant under this Lease, and Tenant shall indemnify, protect, defend and save Landlord harmless from all liability whatsoever on account of any real or alleged damage or injury and from liens, claims, damages, costs, expenses and demands related to the use of the Premises and its facilities, or any repairs, alterations or improvements which Tenant may make or cause to be made upon the Premises or arising from any default by Tenant under this Lease, but Tenant shall not be liable for damage or injury ultimately determined to be caused by the gross negligence or willful misconduct of Landlord or its designated agents, servants or employees. This obligation to indemnify shall include reasonable attorneys' fees

11-9

58

and investigation costs and all other reasonable costs, expenses and liabilities incurred by Landlord or its counsel from the first notice that any claim or demand is to be made or may be made.

15. Insurance

As of the Commencement Date and continuing during the Term, Tenant shall procure and maintain Commercial General Liability Insurance to protect against Bodily Injury and Property Damage, Products / Completed Operations, Personal & Advertising Injury, and Fire Legal Liability, for damages and accidents arising out of Tenant's occupancy and use of the Premises in a minimum amount of \$1,000,000.00 combined single limit for Bodily Injury and Property Damage each occurrence and \$3,000,000.00 in the aggregate. All policies of insurance provided for herein shall be issued by insurance companies with a financial rating acceptable to Landlord and which are qualified to do business in California. All such policies shall name Landlord, its directors, officers and employees as an additional named insured and shall be for the mutual and joint benefit and protection of Landlord and Tenant. Executed copies of the policies of insurance or certificates thereof shall be delivered to Landlord prior to Tenant, its agents or employees, entering the Premises for any purpose. Thereafter, executed copies of renewal policies or certificates shall be delivered to Landlord within thirty (30) days prior to the expiration of the term of each policy. All public liability, property damage and other casualty policies shall be written as primary policies and any insurance carried by Landlord shall not be contributing with such policies.

Notwithstanding the foregoing, Landlord acknowledges that Tenant's participation in Adventist Health's program of self-insurance is deemed to satisfy all insurance requirements as specified above.

16. Taxes

Revenue and Taxation Code Sections 107 and 107.4 provide for the imposition of a property tax on the "possessory interest" created in tax exempt property. This Lease may result in a possessory interest tax. If this Lease results in a possessory interest tax, Tenant shall pay such tax, within thirty (30) days, upon written demand from Landlord.

17. Default

Tenant shall be in material default under this Lease:

- (a) If Tenant abandons the Premises or if Tenant's vacation of the Premises results in the cancellation of any insurance required under this Lease.
- (b) If Tenant fails to pay Base Rent or any other charge when due under the terms of this Lease;
- (c) If the Tenant fails to perform any of Tenant's non-monetary obligations under this Lease for a period of thirty (30) days after written notice from Landlord; provided that if more than thirty (30) days are required to complete such performance, Tenant shall not be in default if Tenant commences such performance within the thirty (30)-day period and thereafter diligently pursues its completion. However, Landlord shall not be required to give such notice if Tenant's failure to perform constitutes a non-curable breach of this Lease. The notice required by this Section 17(c) is intended to satisfy any and all notice requirements imposed by law on Landlord and is not in addition to any such requirement.
- (d) (i) If Tenant makes a general assignment or general arrangement for the benefit of creditors; (ii) if a petition for adjudication of bankruptcy or for reorganization is filed by or against Tenant and is not dismissed within thirty (30) days; (iii) if a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in the Lease and possession is not restored to Tenant within thirty (30)

days; or (iv) if substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease is subjected to attachment, execution or other judicial seizure which is not discharged within thirty (30) days. If a court of competent jurisdiction determines any of the acts described in this subparagraph (d) is not a fault under this Lease, and a trustee is appointed to take possession (or if Tenant remains a debtor in possession) and such trustee or Tenant transfers Tenant's interest hereunder, then Landlord shall receive, as additional Base Rent, the excess, if any, of the rent (or any other consideration) paid in connection with such assignment or sublease over the rent payable by Tenant under this Lease.

- (e) Remedies. On the occurrence of any material default by Tenant, Landlord may, at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have:
 - i. Terminate Tenant's right to possession of the Premises by any lawful means.
 - ii. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant has abandoned the Premises. In such event, Landlord shall be entitled to all of Landlord's rights and remedies under this Lease, including the right to recover the Base Rent as it becomes due.
 - iii. Pursue any remedy now or hereafter available to Landlord under the laws or judicial decisions under the state in which the Premises is located.
- (f) Cumulative Remedies. Landlord's exercise of any right or remedy shall not prevent it from exercising any other right or remedy.

18. Miscellaneous

a) **Compliance.** The parties agree to comply with all applicable federal, state, and local laws, regulations, codes, ordinances, and administrative orders having jurisdiction over the parties, property, or the subject matter of this Lease, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environmental Response, Compensation, and Liability Act, and the Americans with Disabilities Act.

b) **Non-Discrimination.** Tenant shall not, and it is a condition to the continuance of this Lease, discriminate on the basis of race, color, religion, gender, gender expression, age, national origin or ancestry, disability, marital status, sexual orientation, or military status in any of its activities or operations. These activities include, but are not limited to, the leasing, subleasing, transferring, occupancy, tenure or use of the Premises or any portion thereof, hiring and firing of staff, selection of vendors and provision of services.

c) **Landlord's Liability; Certain Duties.** As used in this Lease, the term "Landlord" means only the current owner of the fee title to the Premises or the leasehold estate under a ground lease of the Premises at the time in question. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligations of Landlord under this Lease to be performed on or after the date

of transfer. However, each Landlord shall deliver to its transferee all funds that Tenant previously paid if such funds have not yet been applied under the terms of this Lease.

- a. Tenant shall give written notice of any failure by Landlord to perform any of its obligations under this Lease to Landlord and to any mortgagee or beneficiary under any deed of trust encumbering the Premises whose name and address have been furnished to Tenant in writing. Landlord shall not be in default under this Lease unless Landlord fails to cure such non-performance within thirty (30) days after receipt of Tenant's notice. However, if such non-performance reasonably requires more than thirty (30) days to cure, Landlord shall not be in default if such cure is commenced within such thirty (30) day period and thereafter diligently pursued to completion.
- b. Notwithstanding any term or provision herein to the contrary, the liability of Landlord for the performance of its duties and obligations under this Lease is limited to Landlord's interest in the Premises, and neither the Landlord nor its employees, officers, or other principals shall have any personal liability under this Lease.

d) **Severability.** A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not cancel or invalidate the remainder of such provision or this Lease, which shall remain in full force and effect.

e) **Interpretation.** The captions of the sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine, and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term "Tenant" shall include Tenant's agents, employees, contractors, invitees, successors, or others using the Premises with Tenant's expressed or implied permission.

f) **Incorporation of Prior Agreements; Modifications.** This Lease is the only agreement between the parties pertaining to the lease of the Premises and no other agreements are effective. All amendments to this Lease shall be in writing and signed by all parties. Any other attempted amendment shall be void.

g) **Waivers.** All waivers must be in writing and signed by the waiving party.

h) **Joint and Several Liability.** All parties signing this Lease as Tenant shall be jointly and severally liable for all obligations of Tenant.

i) **Force Majeure.** If Landlord cannot perform any of its obligations due to events beyond Landlord's control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Landlord's control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, fire, flood, or other casualty, shortages of labor or material, government regulation or restriction, and weather conditions.

j) **Execution of Lease.** This Lease may be executed in counterparts and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument. Landlord's delivery of this Lease to Tenant shall not be deemed to be an offer to lease and shall not be binding upon either party until executed and delivered by both parties.

k) **Time of Essence.** Time is of the essence herein.

l) **Survival.** All representations and warranties of Landlord and Tenant shall survive the termination of this Lease.

m) **Authority.** Each party signing this Lease represents and warrants that it has the requisite power and authority to enter into the terms of this Lease. Any individual signing this Lease on behalf of any person or entity represents and warrants that he or she has full power and authority to do so.

n) **Governing Law.** This Lease shall be governed by, construed and enforced in accordance with the laws of the State of California.

IN WITNESS WHEREOF the parties hereto have executed this agreement or caused it to be executed, as of the day, month and year first written above.

EAST KERN HEALTHCARE DISTRICT

CAJON MEDICAL GROUP

By _____

By _____

Attest

By _____

APPROVED AS TO FORM

Aleshire and Wynder, LLP

By: _____
District Counsel

2023-2024 KERN COUNTY GRAND JURY



East Kern Health Care District *Rural Health Care Crisis!*

Release Date
April 29, 2024

EAST KERN HEALTH CARE DISTRICT

Rural Health Care Crisis!

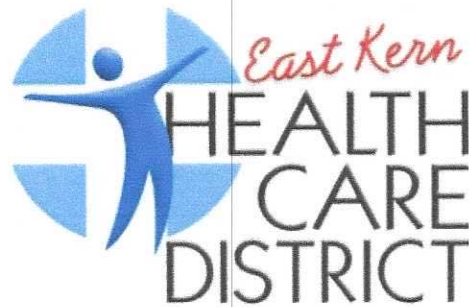


Image Courtesy EKHCD Website

SUMMARY:

“More than 7 million Californians, mostly minorities, live in areas with less than one primary care physician for every 2,000 residents,” according to an article in *The Bakersfield Californian*, February 15, 2024. As per a 2022 University of California news release, the rural areas are among the fastest growing, poorest, and least healthy regions of California. These areas also have the fewest medical doctors per capita. Many residents in rural communities have a higher incidence of disease, higher mortality rates, lower life expectancies, and higher rates of chronic pain. As one navigates through the Eastern portions of Kern County, including California City and Ridgecrest, the rural health care crisis becomes very real.

Rural hospitals and clinics deliver not only traditional hospital services such as emergency care, inpatient care, outpatient care, and laboratory testing, but most of them also deliver physical therapy, long-term care, and primary care. The majority of the communities they serve are at least a half-hour or more than an hour drive to the nearest hospital, and many communities have no other alternative sources of health care. Today, these hospitals and clinics are in financial crisis, which contributes to the challenges, disparities, and poorer health outcomes faced by rural communities in accessing quality health care services compared to urban areas.

The challenges in rural health care are multifaceted, stemming from a combination of systemic, geographic, economic, and social factors. However, the main factors contributing to this crisis include a shortage of health care professionals, limited access to medical facilities, reimbursement policies of insurance companies, inadequate federal, state, and local funding, and barriers to transportation. Rural communities are consistently tasked with doing more with less.

Annexation may be the answer for the East Kern Health Care District (EKHCD) and the Ridgecrest Regional Hospital (RRH) as they are faced with similar issues as outlined above. The low reimbursement rates by Medicare, Medicaid, and private insurance companies are negatively

impacting the finances of rural health care, making survival a struggle. The RRH is in dire need of a life preserver because of this. Without additional funding, the RRH facilities may be forced to lay off key service personnel; affecting surgery, respiratory therapy, physical therapy, environmental services, laboratory services, and other clinics. The hospital has already suspended their Labor and Delivery Unit. Addressing these issues will require innovative solutions tailored to the unique needs of these communities. Combining tools and resources by banding together may be the answer to the rural health care crisis in Eastern Kern County.

PURPOSE OF INQUIRY:

Pursuant to the California Penal Code §933.5, the Grand Jury has the authority to investigate and report on the operations and management of all special districts within Kern County. The 2023-2024 Kern County Grand Jury (Grand Jury) completed an investigation into the activities of the Board of Directors and the operations and management of the East Kern Health Care District. This is not the first Grand Jury investigation into the District. The 2009-2010 Kern County Grand Jury report had no recommendations.

METHODOLOGY:

The Grand Jury researched topics about California's hospital and health care districts, along with The Ralph M. Brown Act, Fair Political Practices Commission (FPPC) ethics training, California Health and Safety Codes, and other related topics. Interviews were conducted with the EKHCD Board of Directors, local citizens, administrative staff of the RRH, Emergency Medical Services Executive Professional, and administrative staff of the Kern County Local Agency Formation Commission (LAFCo).

The Grand Jury also inspected the District's facilities on North Loop Boulevard and Bay Avenue in California City, and visited the Ridgecrest Regional Hospital in Ridgecrest, California. The Grand Jury attended several Board Meetings via Zoom, watched videos, and listened to audio recordings and reviewed the minutes of previous Board Meetings. All material evidence and pronouncements used in this report were gathered by the Grand Jury.

Some of the other documents reviewed by the Grand Jury include:

- California Government Codes
- Association of California Healthcare Districts website
- East Kern Health Care District's website
- Ridgecrest Regional Hospital's website
- East Kern Health Care District Financial Statements and Independent Auditor's Reports for the Fiscal Years Ending June 30, 2022 and June 30, 2023
- Consultation Interim Report Guided Negotiations and Strategic Planning East Kern Health Care District, January 16, 2024

- EKHCD and RRH Press and News Releases: June 8, 2023, December 6, 2023, January 26, 2024, February 15, 2024, February 16, 2024
- Government Compensation in California, per the California State Controller's website

DISCUSSION OF FACTS:

History:

The East Kern Health Care District was established in 1977 to serve the rural communities in Eastern Kern County and a small portion of San Bernardino County. The District focuses on its communities and uses their mission statement of *Building Health, Well-Being, and Resiliency* as a guide to help bring quality health care to its residents. The EKHCD's main function is to provide property management for four medical facilities in California City to facilitate the organization and delivery of comprehensive health care to rural residents of Eastern Kern County. The EKHCD is governed under the California Government Code and the Health and Safety Code §§32000 to 32492, with a five-member elected Board of Directors.

The District receives its funding from both property taxes and medical property rental fees. According to the 2022 Financial Statements and Independent Auditor's Report, the District collected \$66,896 for property rentals, and \$242,137 in property taxes. The 2023 Report indicates rental income of \$61,323 and property taxes of \$243,561.

The February 29, 2024 Board Meeting Minutes showed that taxes received to date were \$135,902, bank account balances were \$1,691,452, total assets were \$2,653,796, and total liabilities were \$173,474.

Services:

The EKHCD owns and leases four medical facilities in California City to medical professionals, which include a community health center, medical offices, primary care offices, and a physical therapy office. The District's facility on Bay Avenue is currently empty and undergoing reconstruction due to a fire. (See Appendix C)

Website:

The EKCHD operates and maintains a website (www.ekhcd.org), which offers options such as quick links to board member contact information, board meetings and agendas, and community updates. Completed Board Member Trainings as well as District Transparency are also available to the public.

Board Meetings:

The EKCHD Board meets on the first Tuesday of each month at 5:00 pm at 9300 North Loop Boulevard. All meetings are currently held in person and accessible via Zoom. Public comments may be made in person or through teleconference, when recognized by the Board President. (See Appendix D for AB 2449 Requirements for Remote Participation Procedures for Conducting a Meeting). Public comments may also be provided by emailing in advance.

Annexation:

The EKCHD Board of Directors voted at the December 5, 2023 Board Meeting to expand its boundaries to the northern and eastern Kern County Lines, which would incorporate Ridgecrest Regional Hospital and the surrounding communities within Kern County. Following this action, both EKCHD and RRH must submit a letter of intent for consideration by Kern County LAFCo and then must file an application for the annexation. Both entities use three principles: access, excellence, and transparency, to guide them through the annexation process.

In news releases, the EKCHD stated that, in light of threats to sustainable funding and access to health care (particularly in rural communities), it hopes that combining the resources of the East Kern communities will improve the provision of health care to residents. “We have many challenges today in health care, and it’s important to find solutions for those,” said an EKCHD Board Member. The EKCHD is looking for a plan that will protect and improve health care in the Eastern Kern communities for the next 50 years.

The RRH Board of Directors acknowledges that their health care facilities, like many geographically remote hospitals, are in financial distress. The factors that have negatively impacted hospitals across the state and nation include rising costs, inadequate reimbursements for service, and a shortage of qualified providers. Furthermore, the 501(c)(3) tax status of the RRH means it is not eligible for state or federal funding such as earthquake repairs, COVID recovery, and other critical services. A spokesperson for RRH stated, “These unforeseen circumstances have significantly impacted the potential sustainability of our hospital. To that end, RRH has seen several service cuts relating to inadequate funding and provider shortages... We believe that partnering with East Kern Health Care District will give us a pathway to protect the RRH services that remain, and potentially restore what we have lost.”

Both EKCHD and RRH have employed consultants to navigate the transition and the LAFCo process to ensure that the annexation meets all legal and ethical requirements of a governmental agency. Public information meetings for the annexation have taken place in both California City and Ridgecrest. Public notices of these meetings have been published in the local newspapers on two separate occasions, and these were also posted at the hospital, the EKCHD Board Room, and the local public libraries. Anyone who owns property in the region within the proposed annexation will also receive a notice in the mail.

FINDINGS:

- F1. The EKHCD Board Meeting agendas are posted in a timely manner on their website. Meetings are held in a small office on North Loop Boulevard and made accessible via Zoom. Unfortunately, the live audio-visual feed is poor quality and does not show all Board Members participating in the meeting. The audio-visual shortcomings can be distracting and frustrating, therefore making the flow of information difficult for the public to follow. Board Members sit facing the camera, meaning that they sit with their backs to the public. This makes it difficult for the Board to engage with community members.
- F2. Not all previous meetings are available on the website for the public to review. In addition, some archived Zoom videos are poor quality, as the sound frequently cuts out, and Board Members in some meetings used only audio without the visual aspect. This does not meet the requirements of AB 2449.
- F3. Board Meetings are scheduled for 5:00 pm and usually begin on time; however, one board member frequently arrives late or attends via Zoom from another location. This disrupts the flow of the meeting. Zooming from an alternate location raises the question by the Grand Jury, "Can this member be considered part of the quorum, and is the remote location open to the public?" This may not meet the requirements of AB 2449.
- F4. Board Members generally follow the guidelines of The Brown Act, and their legal counsel provides guidance in times of uncertainty; however, Robert's Rules of Order are not always followed. Some Board Members have been observed using cell phones throughout the meeting and engaging in side conversations, sometimes behind notepads preventing the public from hearing the topic of conversation. Some Board Members also sporadically leave the room for a few minutes, thus affecting the quorum status.
- F5. The aftermath of the fire at the building on Bay Avenue revealed that the building was not up to current building codes. The building sustained fire, water, and structural damages resulting in an unsafe condition. Asbestos was also detected during an inspection. Code upgrades may not be covered by their insurance claim, leaving the EKHCD to pay for the upgrades.
- F6. Annexation of Ridgecrest Regional Hospital will benefit Eastern Kern County communities with improved access to health care and governmental funding sources. During the annexation process, the EKHCD will have to update their Administrative Code of Operating Procedures and Municipal Service Review (MSR) to include the operations of RRH facilities and its other entities.

F7. The EKHCD Board opted not to fill a position left vacant in 2023. This has led to voting difficulties and maintaining a quorum. Three Board Member positions will be open for election in November 2024, filling all five seats.

F8. The EKHCD website is well maintained; however, the Staff and Board Meeting Minutes webpages need to be updated regularly and made available to the public.

COMMENTS:

The Grand Jury appreciates the input provided by all interviewees, the cooperation of the East Kern Health Care District Board Members, and Ridgecrest Regional Hospital staff in preparation of this report. The District's website was very useful in obtaining the needed documents, information, and links to important webpages. The Grand Jury looks forward to seeing how EKHCD navigates the annexation process with Ridgecrest Regional Hospital and hopes the rural Eastern Kern County will benefit with improved access to health care.

RECOMMENDATIONS:

The 2023-2024 Kern County Grand Jury recommends that the East Kern Health Care District should:

- R1. Relocate the Board meetings to a room that can accommodate the entire Board and the public. Audio-visual equipment should be properly positioned so that all Board Members can be seen and heard at the same time anytime there is a quorum. This should be in place by September 1, 2024. (Finding 1)
- R2. Ensure both Board Meeting minutes and videos are made available to the public prior to the next meeting. This should be in place by September 1, 2024. (Findings 2 and 4)
- R3. Change the Board Meetings to a time that is more convenient to accommodate all Board Members and the public. This will reduce meeting distractions (Board Members coming in late or having to leave the room) and ensure a quorum is met at all times. This should be completed by September 1, 2024. (Finding 3)
- R4. Establish and adhere to a decorum policy for the Board Meetings to ensure public transparency. Follow Robert's Rules of Order, eliminate cell phone usage, and reduce side bar conversations during the meeting. This should be in place by September 1, 2024. (Finding 4)
- R5. Work with California City's Building Planning Department to ensure that repairs of the Bay Avenue Building will be up to current building codes. This should be initiated by September 1, 2024. (Finding 5)

R6. Develop and publish a strategic plan with the Ridgecrest Regional Hospital on how to use the annexation to benefit all residents of Eastern Kern County with convenient access to medical and health care. This should be in place by November 30, 2024. (Finding 6)

NOTES:

- The East Kern Health Care District should post a copy of this report where it will be available for public review.
- Persons wishing to receive an email notification of newly released reports may sign up at: www.kerncounty.com/government/other-agencies/grand-jury
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website www.kerncounty.com/government/other-agencies/grand-jury

RESPONSE DEADLINE:

- **REQUIRED WITHIN 90 DAYS FROM:** East Kern Health Care District
 - Findings 1 through 8
 - Recommendations 1 through 6
- **REQUESTED WITHIN 90 DAYS FROM:** Ridgecrest Regional Hospital

RESPONSES ARE REQUIRED PURSUANT TO PENAL CODE §§933(c) AND 933.05 WITHIN 90 DAYS TO:

- **PRESIDING JUDGE**
SUPERIOR COURT OF CALIFORNIA
COUNTY OF KERN
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301
- **FOREPERSON**
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code §929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

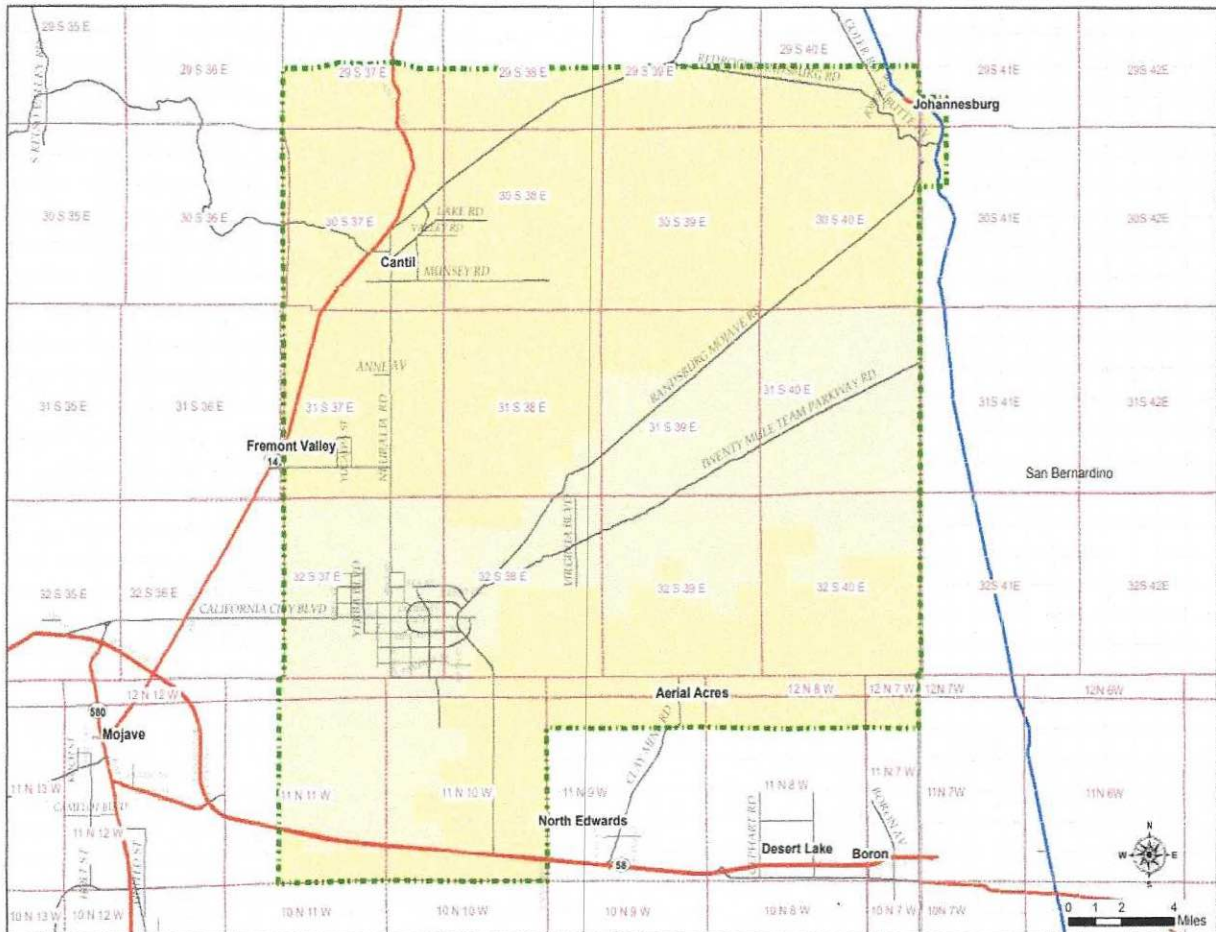
GLOSSARY:

1. **501(c)(3):** is an organization that is a United States corporation, trust, unincorporated association or other type of organization exempt from federal income tax under section 501(c)(3) of Title 26 of the United States Code. It is one of the 29 types of 501(c) nonprofit organizations in the United States.
2. **FPPC:** Fair Political Practices Commission oversees many public officials that are required to take an ethics-training course to educate them on the ethical standards required of any individual who works in state or local government. Cities, counties and special districts in California are required by law (AB 1234, Chapter 700, Stats. of 2005) to provide ethics training to their local officials. The FPPC is responsible for administering and enforcing the Political Reform Act. It enacts regulations that implement the law, issues advice letters, and adopts advisory opinions that apply the Act as well as the regulations to particular circumstances.
3. **LAFCo:** Local Agency Formation Commissions are local agencies mandated by the State legislature to encourage the orderly formation of local governmental agencies, preserve agricultural land resources, and discourage urban sprawl.
4. **MSR:** Municipal Service Review is a comprehensive study designed to better inform LAFCo, local agencies, and the community about the provision of municipal services. Service reviews attempt to capture and analyze information about the governance structures and efficiencies of service providers, and to identify opportunities for greater coordination and cooperation between providers. The service review is a prerequisite to a sphere of influence determination and may also lead a LAFCo to take other actions under its authority.
5. **Quorum:** is the number (such as a majority) of officers or members of a body that when duly assembled is legally competent to transact business.
6. **The Ralph M. Brown Act:** is a California law that guarantees the public's right to attend and participate in meetings of local legislative bodies.
7. **Robert's Rules of Order:** are a specific kind of parliamentary procedure rules to help groups to hold meetings.
8. **Rural:** in general, a rural area or a countryside is a geographic area that is located outside towns and cities. Typical rural areas have a low population density and small settlements.

APPENDICES:

Appendix A

2024 Map of the East Kern Health Care District



Map © 2023 by Kern County LAFCO. All rights reserved. Kern County LAFCO. 12/2023

Legend
 [Green dashed line] SPHERE OF INFLUENCE
 [Yellow shaded area] DISTRICT BOUNDARY



**East Kern Hospital
 District/Sphere of Influence**

This map is for general reference purposes only, it is not an official document. Every reasonable effort has been made to assure the accuracy of the map and data provided; nevertheless, some information may not be accurate. Kern LAFCO issues no warranty, express or implied as to the fitness of the data for any particular use.

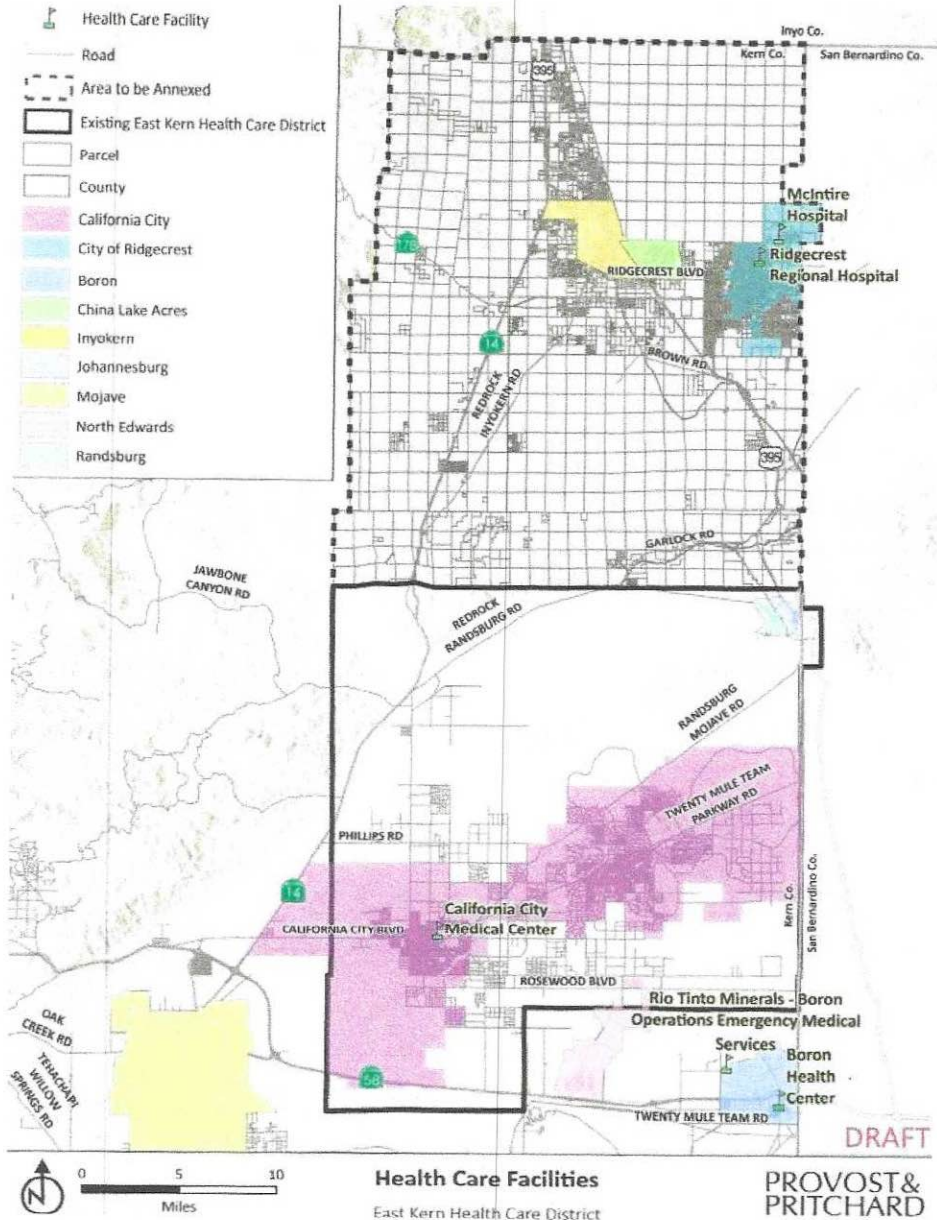
Provided by LAFCO

11-C

72

Appendix B:

Possible Annexation to East Kern Health Care District



Health Care Facilities
East Kern Health Care District

PROVOST & PRITCHARD

Provided by EKHCDC Minutes

11-C

73

Appendix C:

Photos



Photo by Grand Jury

11-C

74



EKHCD Properties, North Loop Blvd.
Photos by Grand Jury



EKHCD Property, Bay Ave.
Photos by Grand Jury



Fire Damage Repair, Bay Ave.
Photos by Grand Jury

11-C

75

Appendix D: Overview of AB 2449 Remote Participation Procedures

To avail itself of the teleconferencing rules established under AB 2449, a public agency must comply with the following meeting requirements:

1. A quorum of the members of the agency's legislative body must participate in person from a singular physical location identified on the agenda.
2. The legislative body must provide either (i) a two-way audiovisual platform, such as Zoom or WebEx, which allows the meeting to be viewed and heard from a remote location, or (ii) a two-way telephonic service and a live webcasting of the meeting, this requirement may be satisfied with any combination of platforms that allows the meeting to be viewed and heard from a remote location.
3. The agenda must give notice of the means by which members of the public may access the meeting and offer public comment; and
4. The meeting must be paused (and no action may be taken), if the broadcasting platform, either audio or visual, is interrupted.

If a member of a legislative body wishes to participate remotely under the new procedures, all of the following requirements, (1) through (4) below, must apply:

1. The request to remotely participate must be on the basis of a circumstance that qualifies as a "just cause" or "emergency" circumstance within the meaning of AB 2449: (i) Just Cause Circumstance: At the earliest opportunity possible (including at the start of a regular meeting), the requesting member must notify the legislative body that he/she has a "just cause" reason for participating remotely. The request must generally describe the specific circumstances that prevent in person participation. Under AB 2449, "just cause" is specifically defined to mean any of the following circumstances:
 - a. A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.
 - b. A contagious illness that prevents a member from attending in person.
 - c. A need related to certain statutorily defined forms of physical or mental disability.
 - d. Travel while on official business of the public agency or for another state or local agency.

It is important to note that under AB 2449, members are limited to a maximum of two (2) times per calendar year to invoke the "just cause" exception to in-person participation. (ii) Emergency Circumstance: An "emergency circumstance" is defined to mean a *"physical or family medical emergency that prevents a member from attending a meeting in person."* To invoke the "emergency circumstance" exception, the requesting member, as soon as possible, must request that the legislative body allow him/her to participate remotely due to some specified "emergency circumstance." In turn, the member's legislative body must take action to approve the request at the earliest opportunity. The legislative body shall also request a general description (not

exceeding 20 words) that describes the circumstances relating to the requesting members “emergency.” The requesting member is not, however, required to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law. The member must also make a separate request for each meeting in which he/she seeks to participate remotely under the “emergency circumstance” exception. Participation via teleconference under the “emergency circumstance” exception *does not* count toward the two-meeting limitation applicable to the “just cause” exception to in-person participation.

2. The member must publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member’s relationship with any such individuals.
3. The member must participate through *both* audio and visual technology.
4. A member’s remote participation may not exceed (i) three consecutive months, or (ii) 20% of a legislative body’s regular meetings within a single calendar year. Also, if the legislative body regularly meets fewer than 10 times per calendar year, a member’s participation from a remote location cannot be for more than two meetings total.

Source: Olivarez Madruga Law Organization LLP



Kern County Grand Jury
Melissa Brown, Foreperson
1415 Truxtun Avenue, Ste. 600
Bakersfield, CA 93301

Dear Ms. Brown,


Thank you for asking Ridgecrest Regional Hospital to respond to the recent grand jury report regarding the East Kern Healthcare District. As you indicated in your report, we are currently working with the EKHCD to expand their district to include the annexation of the Ridgecrest area.

Healthcare in rural communities in California, and especially the Ridgecrest community, are in crisis. The high costs of providing care post-COVID, coupled with low reimbursements and provider shortages, have created a situation where RRH is facing unparalleled difficulty in maintaining access to services the community expects and deserves. While we are implementing numerous cost-saving and revenue-generation initiatives, annexation offers a unique opportunity to increase revenue through eligibility for supplemental government funding not currently available to non-profit private hospitals like RRH. In addition, this partnership will open up many state and federal grant opportunities not now available to RRH.

Our goal is to cooperate with EKHCD to create a strategic plan for the entire expanded district. RRH can assist the EKHCD in assessing care needs and opportunities and to create a plan to address these needs over the next several years. If annexation is approved, we intend to work very collaboratively with the District to identify specific areas where we can partner to improve access and care to the citizens of the entire District. We have already created shared vision and goals to solidify our partnership. We are ultimately hopeful that through this shared vision we can create multiple opportunities to improve access, create new services, and create a healthy environment within the newly expanded District.

The strategic planning process is just beginning, and we should be able to have a first draft completed within 3-4 months. Please let me know if you need more information. Thanks again for your interest in our success!

Sincerely,



James Suver, CEO/President
✓ Ridgecrest Regional Hospital