



AGENDA

EAST KERN HEALTH CARE DISTRICT BOARD OF DIRECTORS

REGULAR MEETING

8101 Bay Ave. CALIFORNIA CITY

Our mission is to expend financial resources to help residents of the District satisfy their healthcare needs.

08/03/2021 5:00PM

Special Notice

Teleconference Accessibility

Pursuant to Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to protect both staff, our constituents, and elected officials, the East Kern Health Care District will hold its board meeting via teleconference or the most rapid means of communication at the time. The public may participate in the teleconference by clicking on the link below:

<https://us02web.zoom.us/j/9571124702>

Meeting ID: 957 112 4702

Public comments may be made through teleconference when prompted by the President during the public comment period. Public comments may also be provided through email by emailing eastkernhealthcaredistrict@gmail.com during or prior to the meeting.

Please indicate comments on the subject line.

If you have difficulty connecting to the teleconference line, please call 669-900-6833 or email eastkernhealthcaredistrict@gmail.com

1. PLEDGE OF ALLEGIANCE

2. CALL TO ORDER

3. ROLL CALL

Director Rubi Foley
Director Richard Macedonio
Director LaMiya Patrick
Director Lois Peralta
Chair Karen Macedonio

Staff Present: Alex Lemieux- Legal Counsel
David Aranda, BHI Consultant
Linda Cook, Finance Manager for EKHCD

Public Present:

4. APPROVAL OF AGENDA

Action Item:

Motion _____ Second _____

Action _____

5. COMMENTS BY THE BOARD PRESIDENT

6. PUBLIC PRESENTATIONS:

This portion of the meeting is reserved for persons desiring to address the Board on any matter not on this agenda and over which the Board has jurisdiction. Please be advised that the Brown Act prohibits action on items that are not listed on the agenda. The board may set such items for consideration at some future Board meeting.

**7. CONSULTING REPORT: BHI Management Consulting
David Aranda**

8. REPORT FROM FINANCE MANAGER: Linda Cook

ACTION ITEMS: CONSENT CALENDAR

9. APPROVAL OF BILLS TO PAY FOR JULY 2021:

Approve Warrants 6 EFT's, and check #'s 35728-35739 for a total amount \$13,543.29. (July) See attached Check Detail and Petty Cash Report (No Transactions).

Action Item:

Motion _____ Second _____

Action _____

10. APPROVAL OF FINANCIAL REPORTS: Profit and Loss report for June, Bank Balances with Interest Report and deposit Detail reports for June, 2021.

Action Item:

Motion _____ Second _____

Action _____

11. APPROVAL OF MINUTES FOR JULY 6, 2021 REGULAR MEETING AND JULY 12, 2021 SPECIAL MEETING

Action Item:

Motion _____ **Second** _____

Action _____

ACTION ITEMS: OLD BUSINESS

12. INSURANCE: APPROVAL OF RESOLUTION 2021-07-03, A RESOLUTION AUTHORIZING APPLICATION TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE OF CALIFORNIA FOR A CERTIFICATE OF CONSENT TO SELF-INSURE WORKERS' COMPENSATION LIABILITIES: APPROVE APPLICATION FOR CERTIFICATE OF CONSENT TO SELF INSURE AS A PUBLIC AGENCY EMPLOYER SELF-INSURER

Action Item:

Motion _____ **Second** _____

Action _____

ACTION ITEMS: NEW BUSINESS

13. DISCUSSION AND DIRECTION REGARDING THE CURRENT LEASE AGREEMENTS

Action Item:

Motion _____ **Second** _____

Action _____

14. DISCUSSION AND DIRECTION REGARDING PERSONNEL

Action Item:

Motion _____ **Second** _____

Action _____

15. DISCUSSION AND DIRECTION REGARDING INVESTMENTS AND LAIF AND APPROVAL OF AN UPDATED RESOLUTION 2021-01-04

Action Item:

Motion _____ **Second** _____

Action _____

16. DISCUSSION REGARDING POSSIBLE ATTENDANCE AT VIRTUAL WORKSHOP: FINANCIAL MANAGEMENT FOR SPECIAL DISTRICTS.

Action Item:

Motion _____ Second _____

Action _____

FUTURE AGENDA ITEMS:

- Director: Rubi Foley
- Director: Richard Macedonio:
- Director: LaMiya Patrick:
- Director: Lois Peralta
- Chair: Karen Macedonio:

DIRECTORS COMMENTS FOR NON-AGENDA ITEMS:

- Director: Rubi Foley
- Director: Richard Macedonio:
- Director: LaMiya Patrick:
- Director: Lois Peralta
- Chair: Karen Macedonio:

STAFF COMMENTS:

- Linda Cook:
- David Aranda:
- Alex Lemieux:

ADJOURNMENT

Motion _____ Second _____ Time _____

NEXT REGULAR MEETING: September 7, 2021 5:00 pm. 8101 Bay Ave California City, CA

“Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in this agendized public meeting should be directed to the District’s office at [\(760\) 373-2804](tel:7603732804) or Cell (661) 220-6100 at least 48 hours prior to said meeting.”
Agenda posted 05/24/2021

Board of Directors
East Kern Health Care District
California City, CA 93505

July 29, 2021

From: David Aranda, Sr. Associate
BHI Management Consulting
(661) 300-1231

Subject: Report from BHI Management Consulting (BHI) regarding work for East Kern Health Care District (District) in June. The report describes activities resulting in effort hours for the District in the month. This report from BHI Management Consulting covers work from June 23, 2021 through July 28, 2021 Invoice #?? captures this work. 30 hrs. of Mr. Aranda's time. To the degree that circumstances present themselves, day-to-day, the work represents the pressing needs of the District

Per the request of the Board President the hours and details of what was accomplished by David Aranda for the time period listed above are captured in the enclosed spread sheet.

Pending Items and Projects:

1. Complete the Mission Statement for the District.
2. Move to a discussion of what the East Kern Health Care District wishes to accomplish in serving its constituents.
3. Address Facilities and Maintenance issues
4. Address the Bay St. Building both in repairs, improvements and use.
5. Address Utility Issues at the N. Loop Address
6. Continue with the SoCalREN work.
7. Grants, both obtaining them and determining how the District can use them.
8. Updates to Administrative Handbook
9. Develop a full policy and procedure handbook for employees
10. Collaboration with other Governmental Agencies, i.e. California City, other Health Care District etc.
11. Determine how to move forward with the Cancer Fund and program.
12. Board discussion in regard to lease agreements and upgrades.
13. Training long term staff.
14. Approval for capital projects to move forward, i.e. landscaping, AH work, carpet replacement and ac replacement.

It should be noted that this list does NOT mean that I and the District are making progress on some of the items listed above. I am hopeful that within the next few weeks a number of items on the facility/maintenance list will be addressed and approved to move forward.

DAY OF WEEK	DATE	TIME BEGIN	TIME END	HOURS WORKED	EXPLANATION
	6/23/2021			1	ASI/BHI report
	28-Jun			3.5	set up ASI/meeting with Chief and cleaning person
	6/28/2021			1	discussion with State Fund WC Insurance
	6/29/2021			0.5	ASI/Insurance
	7/6/2021			3.5	Board Meeting
	7/9/2021			0.5	prepare for special board meeting
	7/12/2021			1	special board meeting
	7/13/2021			nc	sprinkler problem at N. Loop
	7/14&15/2021			nc	insurance work
	7/16/2021			nc	follow up Chief/Bonnie/Amber
	7/19/2021			5.5	walk through Chief/meet Richard/went to N. Loop look at issues
					met Linda insurance/minutes spoke with Chris Sharper Land.
					spoke to Tiffanie and Shirley on Lease agreements/cancer fund
					letter to Cal City/job description review
	7/20/2021			nc	obtained copy of SSCSD p&p manual and Reserver Policy
	7/20/2021			1	spoke with vendors in regard to fire sprinkler system
	7/21/2021			nc	spoke with Allison/resume for job spoke with Ruby vendors
	7/21/2021			1.5	spoke with Karen and Richard about various issues
	7/22/2021			1.5	ph. Karen/call vendors-fire/cleaning/handyman/set up apps.
	7/23/2021			1	Linda/memos/copier/insurance/LAIF.
	7/26/2021			1.5	spoke SDRMA/Alex/Karen e-mails/phone calls carpet/a/c.
	7/27/2021			nc	emails Alex/districts with lease agreements
	7/28/2021			7	met with Rubi/Cleaning/Handman/Security/Linda ASI
					looked at cancer files/old lease files/follow up phone calls vendors
				30	

EKHCD Report

Accomplishments:

See timesheet attached.

Going Forward:

- Work with David on Employee Handbook.

- Create Office Procedures List for New Hire.

- Handling the day to day operations for the District, as well as bookkeeping duties.

- Assist in any way with Lease Agreement updates.

Day of week	Date	BEGIN	END	HOURS WORKED	EXPLANATION
FRIDAY	7/2/2021	10:00	10:30	0.5	WORK ON CONNECTING BANKS INFO TO QUICKBOOKS ONLINE;
					SETUP ONLINE BANKING
TUESDAY	7/6/2021	5:00	8:00		BOARD MEETING ATTENDANCE
WEDNESDAY	7/7/2021	8:15	3:00	6.75	SEARCH FOR DOCUMENTS FOR AUDITOR; ANSWER EMAILS;
					WORK ON MINUTES FROM TUESDAY BOARD MEETING (TYPING)
					COORDINATE SIGNING OF CHECKS WITH DIRECTORS;
					WORK ON NEW FISCAL YEAR FILES AT THE OFFICE;
					SCAN & COPY DOCUMENTS; GO BY POST OFFICE & BANK
THURSDAY	7/8/2021	6pm	6:30	0.5	ATTEMPT TO RETURN PHONE CALLS REGARDING A/C RECEIVED
					WHILE DRIVING; ATTEMPT TO CALL REPAIRMAN
		7:00	8:00	1	COPY CHECKS/ STUFF AND MAIL PAYMENTS, ETC
FRIDAY	7/9/2021	7:00	8:15	1.25	CALLS TO VARIOUS A/C COMPANIES TO TRY TO LOCATE REPAIR
					MAN FOR BARTZ A/C UNIT; CALLS TO BARTZ
	7/9/2021	10:00	1:00	3	STOP BY THE KC AUDITOR TO TRY TO DROP OF SIGNATURE CARDS;
					PICKED UP ORIGINALS TO HAVE RE-SIGNED; WORKED ON BOARD
					AGENDA, ASI'S AND BOARD PACKET; EMAILS TO DAVID ARANDA &
					KAREN;
	7/9/2021	2:00	5:00	3	Emails; Complete Board Packet, Etc, post on website, send to directors;
					continue to make calls back and forth to try to obtain A/C service
					for Bartz.
MONDAY	7/12/2021	7:00	9:30	2.5	Enter Deposits; Enter Invoices; Reconcile Bank Accounts;
					Work on Balance Report; Delete Shawn Sprague Auto
					Transaction; Void Shawn Sprague Duplicate Check;
					Attempt to remove David's Credit Card from Zoom and use
					the Debit Card; Did not have CVV code; emailed Karen
					Called Reliable AC; Received a call from one A/C company
					Sawyer Heating/AC in Mojave, but they would like a debit
					card; Said I would have to check with Karen;
MONDAY	7/12/2021	1:15	2:15	1	Telephone Conference with Auditors/Annabel regarding
					procedures, etc.
MONDAY	7/12/2021	5:00	7:00	2	Attendance at Board Meeting: Prepare documents for
					Karen to sign on Wednesday for SDRMA
WEDNESDAY	7/14/2021	8:00	2:30	6.5	Work on filing; file folder labels; scan documents to auditor
					Contact w/Tenants & Reliable AC; Signing of SDRMA Docs
					Scan Doc's to auditors & SDRMA; Prepare Docs for mailing;
					Type Spec Mtg minutes; T/C with Auditors
MONDAY	7/19/2021	8:00	2:30	6.5	Prepare Tenant Invoices; Filing; Prepare letter for City;
					And correct letter to Mayor; Post Rents; work on month
					end and year end; emails & misc office duties; do deposit;
					pick up mail; mail mail; deliver letter to city & Mayor
WEDNESDAY	7/21/2021	8:30	11:30	3	Finish Year End Close; Input Budget for 2021-2022; enter
		1:30	2:30	1	bills, other misc bookkeeping tasks; emails; call to tenants
MONDAY	7/26/2021	9:00	10:15	1.25	Review email & Print checks for payments
MONDAY	7/26/2021	11:40	2:40	3	Go over things with David, including board agenda, letters
					board packet, etc.; Preparation of items; review of emails
					and taking care of the emails
WEDNESDAY	7/28/2021	8:00	3:00	7	Listen to voicemail; review emails; print necessary board
					packet components; prepare ASI's; assist David in letting
					vendors in the office and showing them the building;
					update agenda; print BHI check; updates to tenant spread-
					sheet; pick up mail; print additional checks from mailed
					invoices; set up zoom meeting; add info to agenda; print

					and type various for David; Look thru 2015 files & minutes;
					prepare checks to deposit and stop by bank and deposit
FRIDAY	7/30/2021	7:15	ESTIMATEE	6	Work on printing, organizing, page numbering and scanning
					of board packet; prepare timecards for directors to email
					emails zoom info board packets, etc to directors, David &
					Alex; Post all above on website, etc
				55.75	**NOTE THIS TIMECARD WILL BE ADDED TO IN ORDER TO
					COMPLETE THE MONTH OF JULY, PRIOR TO SUBMITTING
					TO PAYROLL.

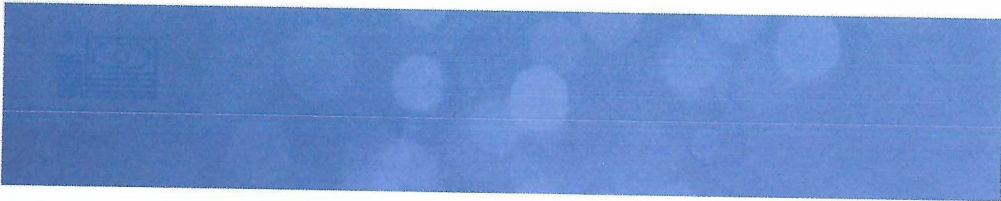
AGENDA SUPPORTING INFORMATION
ACTION ITEM

AGENDA # 9

- Subject:** APPROVAL OF BILLS TO PAY FOR JULY ; Approve Warrants – 6 EFT’s, and Check’s # 35728-35739 for a total amount \$13,543.29 (July) See attached Check Detail and Petty Cash Report (No Transactions)
- Submitted by:** Linda Cook, Finance Manager
- Meeting Date:** August 3, 2021
- Background:** If you will notice, there are two payments (2 months for each location) to City of California City, and two payments to Waste Management. Due to the conflict with their billing dates, and our board meeting and payment dates, there was a lag between when we received the invoice in conjunction with when payments were issued. I tried to catch them up by paying them all online, however the one check for City of California City was issued because the online rejected the debit card. I am guessing it was over the limit or something. In any case, I will have to hand deliver that bill as soon as it is signed on Wednesday after the board meeting in order to avoid shut off.
- Recommendation:**
- Please receive and file reports.

EAST KERN HEALTH CARE DISTRICT
Check Detail July 2021

Date	Transaction Type	Num	Name	Clr	Amount
1135 Mission Bank Checking					
07/01/2021	Bill Payment (Check)	ACH PYMT	Waste Management Corporate Services, Inc. <i>Services 6/1/21-6/30/21 DUE BY 7/1/21</i>	C	-515.91
07/06/2021	Bill Payment (Check)	ACH300003351891	Tmobile	C	-43.85
07/13/2021	Bill Payment (Check)	038-0164217427507 Paid VIA Debit Crd	City of California City <i>2 Months for Bay Ave: 5/14/21-7/13/21</i>		-177.44
07/19/2021	Bill Payment (Check)	ACH300005394505	SCE 8000222683, 8001112753, 8001112989, 8001658860, 8001959862		-1,618.48
07/21/2021	Bill Payment (Check)	ACH300005394506	Waste Management Corporate Services, Inc. <i>Services 7/1/21-7/31/21 DUE BY 8/1/21</i>		-515.91
7/26/2021	Bill Payment (Check)	ACH20210726	ZOOM Video Communications, Inc.		-14.99
07/31/2021	Bill Payment (Check)	35728	Linda Cook <i>Closes out Contractual ending portion of June 6/25/21-6/30/21</i>		-750.00
07/31/2021	Bill Payment (Check)	35729	Digitech		-42.99
07/31/2021	Bill Payment (Check)	35730	Frontier		-130.78
07/31/2021	Bill Payment (Check)	35731	D. David Hebebrand		-250.00
07/31/2021	Bill Payment (Check)	35732	Olivarez Madruga Lemieuz O'neill LLP		-882.00
07/31/2021	Bill Payment (Check)	35733	Sharper Landscaping Services, Inc		-340.00
07/31/2021	Bill Payment (Check)	35734	Reliable Air Cond.&Heating		-905.00
07/31/2021	Bill Payment (Check)	35735 <i>Was unable to use debit card</i>	City of California City <i>2 Months Water for N. Loop Bldgs 5/14/21-7/13/21 DUE BY 8/6/21</i>		-2,000.28
07/31/2021	Bill Payment (Check)	35736	Senior Citizen Association of California City		-250.00
07/31/2021	Bill Payment (Check)	35737	Mobile Modular		-638.98
07/31/2021	Bill Payment (Check)	35738	BHI Management Consulting		-4,371.68
07/31/2021	Bill Payment (Check)	35739	Steve O Plumbing		-95.00
					<u>-95.00</u>
					-13543.29



East Kern Health Care District

Petty Cash Log

For 03/30/2021 through 06/30/2021

Balance \$98.59

Date	Receipt No.	Description	Amount Deposited	Amount Withdrawn	Charged to	Received by	Approved by
3/30/2021		Balance Forward	\$98.59				
4/30/2021		No petty cash used in April					
5/31/2021		No petty cash used in May					
6/30/2021		No petty cash used in June					
Total			0	\$98.59	\$0.00		
				BALANCE:			
				\$98.59			

REIMBURSEMENT CK \$0.00

AGENDA SUPPORTING INFORMATION
ACTION ITEM

AGENDA # 10

Subject: APPROVAL OF FINANCIAL REPORTS: Profit and Loss report for June, both YTD & MTD, Bank Balances with Interest Report and deposit Detail reports for June, 2021.

Reports are attached.

Submitted by: Linda Cook, Finance Manager

Meeting Date: August 3, 2021

Recommendation:

Please receive and file reports.

East Kern Health Care District Account Balances

Checking Account Balances as of June 30, 2021

Account Name:	Account Balance	Interest Rate
Mission Bank Checking #3904	\$138,677.84	N/A
Bank of Sierra #6398	\$226,141.73	N/A
Total:	\$364,819.57	

Cancer Fund Account Balances as of June 30, 2021

Account Name:	Account Balance	Interest Rate
Mission Bank Cancer Fund Checking #252	\$28,954.45	N/A
Cancer Fund CD #2810	\$11,962.03	0.20%
Total:	\$40,916.48	

LAIF Account Balances as of June 30, 2021

Account Name:	Account Balance	Interest Rate
Local Agency Investment Fund	\$672,819.95	0.33%
LAIF FMV (See attached from Auditor)	\$3,032.16	
Total:	\$675,852.11	

Grand Total of Account Balances per bank as of June 30, 2021

Bank Name:	
Mission Bank Grand Total:	\$179,594.32
Bank of Sierra Grand Total:	\$226,141.73
Local Agency Investment Fund:	\$675,852.11
Total:	\$1,081,588.16

Grand Total of Accounts as of June 30, 2021

Grand Total:	\$1,081,588.16
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EAST KERN HEALTH CARE DISTRICT

Balance Sheet
As of June 30, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1135 Mission Bank Checking	138,677.84
1140 Mision Bank Cancer Fund	28,954.45
1143 KC Fund #42160	0.00
1145 Cancer Fund CD	11,962.03
1150 Local Agency Fund	672,819.95
1151 LAIF FMV	3,032.16
1155 Bank of Sierra	226,141.73
1156 Mission Bank MM3	0.00
Total Bank Accounts	\$1,081,588.16
Accounts Receivable	
1200 Accounts Receivable	4,736.97
1201 Taxes Receivable - Kern County	0.00
1290 1290 Allowance for Doubtful Accounts	0.00
Total Accounts Receivable	\$4,736.97
Other Current Assets	
1400 Interest Receivable	0.00
1498 Prepaid Expenses	0.00
1499 Undeposited Funds	900.00
Inventory Asset	0.00
Uncategorized Asset	0.00
Total Other Current Assets	\$900.00
Total Current Assets	\$1,087,225.13
Fixed Assets	
1500 Land	178,205.00
1510 Buildings	1,310,740.00
1511 New Flooring-9300 North Loop	17,500.00
Total 1510 Buildings	1,328,240.00
1513 Modular Building-N. Loop (Adventist Health)	16,537.59
1520 Furniture & Equipment	0.00
1530 Improvements	250,251.00
1550 Accumulated Depreciation	-682,174.00
Total Fixed Assets	\$1,091,059.59
TOTAL ASSETS	\$2,178,284.72

EAST KERN HEALTH CARE DISTRICT

Balance Sheet

As of June 30, 2021

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	-1,163.07
Total Accounts Payable	\$ -1,163.07
Other Current Liabilities	
2050 Accrued Expenses	-235.44
2110 Deferred Compensation	0.00
2125 Other Current Liabilities	2,000.00
2130 2130 Note Payable - Dalffe	0.00
2140 Lease Deposit	5,000.00
Total Other Current Liabilities	\$6,764.56
Total Current Liabilities	\$5,601.49
Total Liabilities	\$5,601.49
Equity	
2900 Retained Earnings	2,090,360.17
3000 Opening Bal Equity	0.00
Net Income	82,323.06
Total Equity	\$2,172,683.23
TOTAL LIABILITIES AND EQUITY	\$2,178,284.72

EAST KERN HEALTH CARE DISTRICT

Profit and Loss Comparison

June 2021

	TOTAL
Income	
4010 Property Tax Revenues	33,136.57
4030 Lease Income	17,873.94
4040 Interest Income	554.85
Total Income	\$51,565.36
GROSS PROFIT	\$51,565.36
Expenses	
6155 Directors Fees	1,300.00
6170 Groundskeeper	540.00
6180 Insurance	685.54
6240 Miscellaneous	
6241 Donation- Senior Center Association	250.00
Total 6240 Miscellaneous	250.00
6243 Modular Unit Rental	638.98
6270 Professional Fees	
6282 Consulting-Shawn Sprague	350.00
6285 Audit Expense	10,500.00
6286 Consulting-BHI	4,300.00
6289 Consulting-Linda Cook	2,940.00
Total 6270 Professional Fees	18,090.00
6300 Repairs & Maintenance	
6310 R&M- North Loop Bldg	1,028.88
6330 Alarm Monitoring-Bay Ave Bldg	42.99
Total 6300 Repairs & Maintenance	1,071.87
6350 Conference and Travel	
6380 Travel	85.10
Total 6350 Conference and Travel	85.10
6390 Utilities	
6340 Telephone	47.25
6400 Gas and Electric	1,168.73
6420 Trash	1,031.82
Total 6390 Utilities	2,247.80
6500 Office Expenses	
6550 Office Supplies	55.00
Total 6500 Office Expenses	55.00
6555 Rent Expense	10,500.00
6560 Payroll Expenses	
6561 Payroll EDD Taxes	541.26
Total 6560 Payroll Expenses	541.26
Total Expenses	\$36,005.55
NET OPERATING INCOME	\$15,559.81
NET INCOME	\$15,559.81

EAST KERN HEALTH CARE DISTRICT

Profit and Loss Comparison

July 2020 - June 2021

	TOTAL
Income	
4010 Property Tax Revenues	214,468.73
4015 Reimbursement	1,952.19
4030 Lease Income	76,324.73
4040 Interest Income	3,554.69
Total Income	\$296,300.34
GROSS PROFIT	\$296,300.34
Expenses	
6120 Bank Service Charges	70.00
6155 Directors Fees	14,500.00
6160 Dues and Subscriptions	216.00
6165 Election Costs - Kern County	17.73
6166 Election Costs- San Bernadino	79.00
6170 Groundskeeper	6,540.00
6180 Insurance	8,249.00
6190 Work Comp	-235.44
Total 6180 Insurance	8,013.56
6240 Miscellaneous	103.87
6241 Donation- Senior Center Association	3,000.00
Total 6240 Miscellaneous	3,103.87
6243 Modular Unit Rental	5,111.84
6270 Professional Fees	2,000.00
6280 Legal Fees	11,466.00
6282 Consulting-Shawn Sprague	4,200.00
6283 Prof Services Accounting	5,250.00
6284 Professional Services- District Secretary	15,941.79
6285 Audit Expense	10,500.00
6286 Consulting-BHI	16,557.65
6289 Consulting-Linda Cook	10,610.00
Total 6270 Professional Fees	76,525.44
6281 Board Meeting Costs-Zoom Mtgs	399.82
6300 Repairs & Maintenance	
6310 R&M- North Loop Bldg	8,644.42
6310.1 Large Item Repairs & Maint-N.Loop	22,350.00
Total 6310 R&M- North Loop Bldg	30,994.42
6330 Alarm Monitoring-Bay Ave Bldg	3,909.35
Total 6300 Repairs & Maintenance	34,903.77

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EAST KERN HEALTH CARE DISTRICT

Profit and Loss Comparison

July 2020 - June 2021

	TOTAL
6350 Conference and Travel	1,765.00
6380 Travel	299.02
6383 Online Training/Webinars	350.00
6385 Confernece Fees	55.00
Total 6350 Conference and Travel	2,469.02
6386 Tax Collection Charges	4,957.78
6390 Utilities	
6340 Telephone	3,104.98
6400 Gas and Electric	13,291.46
6410 Water	10,795.96
6420 Trash	6,696.14
Total 6390 Utilities	33,888.54
6500 Office Expenses	
6550 Office Supplies	4,912.83
Total 6500 Office Expenses	4,912.83
6555 Rent Expense	10,500.00
6560 Payroll Expenses	6,893.60
6561 Payroll EDD Taxes	1,635.64
6562 Payroll Federal Taxes	1,218.31
Total 6560 Payroll Expenses	9,747.55
6690 Reconciliation Discrepancies	-1,749.47
Total Expenses	\$214,207.28
NET OPERATING INCOME	\$82,093.06
Other Income	
4035 Cancer Fund Income	3,530.00
Total Other Income	\$3,530.00
Other Expenses	
7010 Cancer Fund Awards	3,300.00
Total Other Expenses	\$3,300.00
NET OTHER INCOME	\$230.00
NET INCOME	\$82,323.06



PO Box 317
 Bakersfield CA 93302-0317
 1 (888) 965-7783



2830013

EAST KERN HEALTH CARE DISTRICT
 CANCER ASSISTANCE FUND
 PO BOX 2546
 CALIFORNIA CITY CA 93504

Date 6/30/21	Page 1
Account Number	XXXXXXXXX2526
Enclosures	

*reconciled
7/12/21 le*

CHECKING ACCOUNTS

BUSINESS CHECKING		Number of Enclosures	0
Account Number	XXXXXXXXXX2526	Statement Dates	6/01/21 thru 6/30/21
Previous Balance	28,954.45	Days in the statement period	30
Deposits/Credits	.00	Average Ledger	28,954.45
Checks/Debits	.00	Average Collected	28,954.45
Monthly Service Fee	.00		
Interest Paid	.00		
Ending Balance	28,954.45		

Daily Balance Information

Date	Balance
6/01	28,954.45

If you have been paying multiple overdraft fees we offer products to help you avoid unnecessary fees. Come in or call your Business Banking Center at 1-888-965-7783 to discuss your options. Report any discrepancies on your statement immediately.





9776695

East Kern Health Care District
 P O BOX 2546
 California City CA 93504

Date 6/30/21 Page 1

*Reconciled
7/12/21 LC*

Checking Account

The Bank's Funds Availability Policy does not apply to deposits of checks or drafts drawn on financial institutions located outside the U.S. These items cannot be processed the same as checks or drafts drawn on U.S. financial institutions. Generally, the availability of funds for deposits of foreign checks or drafts will be delayed for the time it takes us to collect the funds from the financial institutions upon which they are drawn.

Public Demand		Number of Enclosures	0
Account Number	XXXXXX6398	Statement Dates	6/01/21 thru 6/30/21
Previous Balance	221,754.76	Days in the statement period	30
2 Deposits/Credits	4,386.97	Average Ledger	224,027.66
Checks/Debits	.00	Average Collected	223,894.77
Service Charge	.00		
Interest Paid	.00		
Ending Balance	226,141.73		

058700016101010000

Deposits and Credits

Date	Description	Amount
6/07	Business Deposit	1,736.97
6/21	Business Deposit	2,650.00

Daily Balance Information

Date	Balance	Date	Balance	Date	Balance
6/01	221,754.76	6/07	223,491.73	6/21	226,141.73

Keep Climbing

21

MISSION BANK
 PO Box 317
 Bakersfield CA 93302-0317
 1 (888) 965-7783



2830016

EAST KERN HEALTH CARE DISTRICT
 PO BOX 2546
 CALIFORNIA CITY CA 93504

Date 6/30/21	Page 1
Account Number XXXXXXXXXX3904	
Enclosures	13

*Reconciled
7/12/21 LC*

CHECKING ACCOUNTS

BUSINESS CHECKING		Number of Enclosures	13
Account Number	XXXXXXXXXX3904	Statement Dates	6/01/21 thru 6/30/21
Previous Balance	149,029.40	Days in the statement period	30
3 Deposits/Credits	33,180.42	Average Ledger	143,474.16
17 Checks/Debits	17,614.77	Average Collected	143,474.16
Monthly Service Fee	.00		
Interest Paid	.00		
Ending Balance	164,595.05		

-See reconciliation attached

Deposits and Credits

Date	Description	Amount
6/07	PCS SVC T-MOBILE	43.85
	PPD 0000450304 21/06/07	
	TRACE #-021000025878932	
6/11	ACCTS PAY COUNTY OF KERN	1,858.53
	PPD 2956000925 21/06/11	
	TRACE #-091000017033735	
6/28	ACCTS PAY COUNTY OF KERN	31,278.04
	PPD 2956000925 21/06/28	
	TRACE #-091000013892806	

Withdrawals and Electronic Debits

Date	Description	Amount
6/07	PCS SVC T-MOBILE	43.85-
	WEB 0000450304 21/06/07	
	5743270	
	TRACE #-021000021153141	
6/07	PCS SVC T-MOBILE	43.85-
	WEB 0000450304 21/06/07	
	5760251	
	TRACE #-021000021161288	
6/14	BILL PAYMT SO CAL EDISON CO	1,168.73-
	WEB 4951240335 21/06/14	
	700487827592	
	TRACE #-091000017656390	
6/23	INTERNET WASTE MANAGEMENT	515.91-
	WEB 9049038216 21/06/23	



22

7/12/2021

EAST KERN HEALTH CARE DISTRICT
1135 Mission Bank Checking, Period Ending 06/30/2021

RECONCILIATION REPORT

Reconciled on: 07/12/2021

Reconciled by: Linda Cook

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	
Checks and payments cleared (17)	149,029.40
Deposits and other credits cleared (3)	-17,614.77
Statement ending balance	33,180.42
Uncleared transactions as of 06/30/2021	164,595.05
Register balance as of 06/30/2021	-25,917.21
Cleared transactions after 06/30/2021	138,677.84
Uncleared transactions after 06/30/2021	0.00
Register balance as of 07/12/2021	-43.85
	138,633.99

Details

Checks and payments cleared (17)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
04/30/2021	Bill Payment	35674	Rios Design Studio	-2,000.00
05/24/2021	Bill Payment	35688	Frontier	-173.98
05/31/2021	Bill Payment	35690	Olivarez Madruga Lemieuz O'...	-882.00
05/31/2021	Bill Payment	35699	BHI Management Consulting	-4,758.64
05/31/2021	Bill Payment	35692	Waste Management Corporat...	-515.91
05/31/2021	Bill Payment	35693	Witts	-411.73
05/31/2021	Bill Payment	35694	Linda Cook	-3,730.00
05/31/2021	Bill Payment	35695	Digitech	-42.99
05/31/2021	Bill Payment	35696	Mobile Modular	-638.98
05/31/2021	Bill Payment	35700	David Aranda	-401.88
05/31/2021	Bill Payment	35701	City of California City	-896.32
05/31/2021	Bill Payment	35691	Sharper Landscaping Service...	-540.00
06/07/2021	Expense			-43.85
06/07/2021	Bill Payment	ACH300001970167	Tmobile	-43.85
06/09/2021	Bill Payment	ACH300003351890	SCE	-1,168.73
06/14/2021	Bill Payment	ACH300001970166	Waste Management Corporat...	-515.91
06/14/2021	Bill Payment	35702	Steve O Plumbing	-850.00
Total				-17,614.77

Deposits and other credits cleared (3)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/07/2021	Deposit			43.85
06/10/2021	Transfer			1,858.53
06/23/2021	Transfer			31,278.04
Total				33,180.42

Additional Information

Uncleared checks and payments as of 06/30/2021

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/03/2021	Bill Payment	35687	Special District Leadership Fo...	-65.00
05/31/2021	Bill Payment	35697	Senior Citizen Association of ...	-250.00
05/31/2021	Bill Payment	35689	Kern County Auditor - Controller	-17.73
05/31/2021	Bill Payment	35698	Shawn Sprague	-350.00
06/30/2021	Bill Payment	35703	Digitech	-367.99

23

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/30/2021	Bill Payment	35727	Karen Macedonio	-200.00
06/30/2021	Bill Payment	35704	Frontier	-130.78
06/30/2021	Bill Payment	35705	David Aranda	-56.13
06/30/2021	Bill Payment	35706	Thugs to Bugs Pest Control C...	-170.00
06/30/2021	Bill Payment	35707	Nigro & Nigro	-10,500.00
06/30/2021	Bill Payment	35708	Olivarez Madruga Lemieuz O'...	-882.00
06/30/2021	Bill Payment	35709	Karen Macedonio	-200.00
06/30/2021	Bill Payment	35710	Richard Macedonio	-600.00
06/30/2021	Bill Payment	35711	LaMiya Patrick	-700.00
06/30/2021	Bill Payment	35712	Lois Peralta	-200.00
06/30/2021	Bill Payment	35713	Rubi Foley	-500.00
06/30/2021	Bill Payment	35714	Shawn Sprague	-350.00
06/30/2021	Bill Payment	35715	Mobile Modular	-638.98
06/30/2021	Bill Payment	35716	Witts	-27.24
06/30/2021	Bill Payment	35717	Senior Citizen Association of ...	-250.00
06/30/2021	Bill Payment	35718	Employment Development De...	-541.26
06/30/2021	Bill Payment	35719	BHI Management Consulting	-4,385.10
06/30/2021	Bill Payment	35720	Linda Cook	-2,995.00
06/30/2021	Bill Payment	35722	Sharper Landscaping Service...	-440.00
06/30/2021	Bill Payment	35723	Rubi Foley	-300.00
06/30/2021	Bill Payment	35724	Richard Macedonio	-200.00
06/30/2021	Bill Payment	35725	Lois Peralta	-400.00
06/30/2021	Bill Payment	35726	LaMiya Patrick	-200.00
Total				-25,917.21

Uncleared deposits and other credits as of 06/30/2021

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/30/2021	Bill Payment	35721	Shawn Sprague	0.00
Total				0.00

Uncleared checks and payments after 06/30/2021

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/06/2021	Bill Payment	ACH300003351891	Tmobile	-43.85
Total				-43.85



View Account Information for: CD 0003

Current Account Information

CD 0003 / EAST KERN HEALTH CARE DISTRICT

Other names on this account:

Current balance	11,962.03	Interest rate	0.200000%
Accrued interest	0.26	Maturity date	12/15/21
YTD interest	13.89	Last renewal	12/15/20
Per diem	0.06554		
Next payment date	8/15/21		
Last payment date	7/15/21		
Original balance	10,000.00	Issue date	12/15/05
		Last deposit	12/15/05
Term	12 M		
Interest term	1 M		



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name

EAST KERN HOSPITAL DISTRICT

Account Number

20-15-002

As of 07/15/2021, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2021.

Earnings Ratio		.00000897371743018	
Interest Rate		0.33%	
Dollar Day Total	\$	61,166,862.12	
Quarter End Principal Balance	\$	672,271.06	} 672,819.95
Quarterly Interest Earned	\$	548.89	

Microsoft Excel - EAST KERN HEALTH CARE DISTRICT - Protected View

File Home Insert Page Layout Formulas Data Review View Help Acrobat PDFelement

PROTECTED VIEW Be careful—files from the Internet can contain viruses. Unless you need to edit, it's safer to stay in Protected View. Enable Editing

D11

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	EAST KERN HEALTH CARE DISTRICT																
2	LAIF Balance																
3	6/30/2020																
4																	
5	LAIF Balance at 6/30/2020	G1-06	617,196.76														
6																	
7	Apply Market Value Adj.																
8																	
9	LAIF Balance at 6/30/2020		\$	3,032.16													
10																	
11	FMV % at 6-30-2020																
12																	

Procedure: Auditor calculated FMV adjustment using the PMIA LAIF report attached below and multiplied the FMV percentage to the June 2020 balance. Auditor will propose an adjustment.

Conclusion: Cash in County FMV adjustment appears to be fairly stated.

LAIF - Fair Value \$ 101,607,078,218.36
 LAIF - Amortized Cost \$ 101,110,343,832.82

FV/Cost = (A) 100.4912794940%

Pooled Money Investment Account Market Valuation Report Attached

State of California Pooled Money Investment Account Market Valuation 6/30/2020					
Description	Carrying Cost Plus Accrued Interest Purch.	Amortized Cost	Fair Value	Accrued Interest	
1* United States Treasury					
Bills	\$ 23,981,651,409.11	\$ 24,057,110,779.12	\$ 24,086,039,500.00		NA
Notes	\$ 28,916,246,318.04	\$ 28,914,282,786.34	\$ 29,340,004,500.00	\$ 125,755,726.90	
1* Federal Agency					
SEA	\$ 486,745,410.00	\$ 486,745,410.00	\$ 482,514,375.35	\$ 296,984.81	
MBS-REMICs	\$ 17,080,376.76	\$ 17,080,376.76	\$ 18,042,305.78	\$ 79,578.32	
Debtentures	\$ 2,081,903,485.66	\$ 2,081,807,732.33	\$ 2,163,282,210.00	\$ 8,935,239.97	
Debtentures FR	\$ -	\$ -	\$ -	\$ -	
Debtentures CL	\$ 1,025,000,000.00	\$ 1,025,000,000.00	\$ 1,027,343,500.00	\$ 857,834.00	
Discount Notes	\$ 16,570,990,090.25	\$ 16,612,997,894.50	\$ 16,617,881,000.00		NA
1* Supranational Debtentures	\$ 614,688,043.27	\$ 614,654,765.49	\$ 619,259,800.00	\$ 3,295,333.75	
1* Supranational Debtentures FR	\$ 200,128,103.33	\$ 200,128,103.33	\$ 200,124,773.71	\$ 399,965.53	
2* CDs and YCDs FR	\$ 500,000,000.00	\$ 500,000,000.00	\$ 500,132,000.00	\$ 110,622.74	
2* Bank Notes	\$ 100,000,000.00	\$ 100,000,000.00	\$ 100,199,706.79	\$ 674,222.22	
2* CDs and YCDs	\$ 12,700,650,610.28	\$ 12,700,428,368.06	\$ 12,706,251,524.80	\$ 40,862,527.80	
2* Commercial Paper	\$ 7,719,088,172.29	\$ 7,736,449,795.89	\$ 7,741,583,020.04		NA



East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>

LAIF FMV

3 messages

East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>
To: "Paul J. Kaymark, CPA" <pkaymark@nncpas.com>

Wed, Jul 21, 2021 at 8:37 AM

Paul,

What is LAIF FMV. This was added at year end 2020?

Thanks,

Linda Cook
East Kern Health Care District
Consultant
Phone 760-373-2804
Cell: 661 220-6100
Fax 760-373-1054
PO Box 2546
California City CA 93504

Paul J. Kaymark, CPA <pkaymark@nncpas.com>

To: East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>

Wed, Jul 21, 2021 at 8:45 AM

Linda:

LAIF has a Fair Market Value component to it. It is a balance that will sit on the Balance Sheet all year and adjusted for each June 30th for the audit. Do Not Adjust Please.

See Attachment

*Paul J. Kaymark, CPA**Audit Services Partner**951-698-8783 x 219***25220 Hancock Ave., Ste #400, Murrieta, CA 92562 / Phone: 951-698-8783 / Fax: 951-699-1064****12121 N. California Blvd., Ste #290, Walnut Creek, CA 94596 / Phone: 844-557-3111 / Fax: 844-557-3444****28**

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Circular 230: As a result of certain perceived abuses, the Treasury Department has promulgated regulations that require all attorneys and accountants who provide certain written communications to a client to include an extensive analysis and disclosure in such written communications. To comply with our obligations under these regulations, we wish to inform you that this communication does not contain all of such analysis and disclosure and was not written or intended by us to be used, and may not be used, by any taxpayer for the purpose of avoiding any tax penalty that may be imposed on the taxpayer. In addition, any tax advice contained in this communication may not be used to promote, market or recommend a transaction.

[Quoted text hidden]



EKHCD LAIF FMV.xlsx

138K

East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>
To: "Paul J. Kaymark, CPA" <pkaymark@nncpas.com>

Wed, Jul 21, 2021 at 9:04 AM

Ok, Thanks

Linda Cook
East Kern Health Care District
Consultant
Phone 760-373-2804
Cell: 661 220-6100
Fax 760-373-1054
PO Box 2546
California City CA 93504

[Quoted text hidden]

AGENDA SUPPORTING INFORMATION
ACTION ITEM

AGENDA # 11

Subject: Approval of minutes and reports

Submitted by: David Aranda, BHI Consultant

Meeting Date: August 3, 2021

Background: There were two meetings in July. The minutes for each are attached for approval.

Recommendation:

Approve the July 6, 2021- Regular Meeting Minutes.

Approve the July 12, 2021- Special Meeting Minutes.



MINUTES

EAST KERN HEALTH CARE DISTRICT BOARD OF DIRECTORS

SPECIAL MEETING

8101 Bay Ave. CALIFORNIA CITY

Our mission is to expend financial resources to help residents of the District satisfy their healthcare needs.

07/12/2021 5:06PM

Special Notice

Teleconference Accessibility

Pursuant to Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to protect both staff, our constituents, and elected officials, the East Kern Health Care District will hold its board meeting via teleconference or the most rapid means of communication at the time. The public may participate in the teleconference by clicking on the link below:

<https://us02web.zoom.us/j/86165372700?pwd=c3llQ21RWUpuRjZmRHdmWTJYNzBnUT09>

Meeting ID: 861 6537 2700

Passcode: 604965

Public comments may be made through teleconference when prompted by the President during the public comment period. Public comments may also be provided through email by emailing eastkernhealthcaredistrict@gmail.com during or prior to the meeting.

Please indicate comments on the subject line.

If you have difficulty connecting to the teleconference line, please call 669-900-6833 or email eastkernhealthcaredistrict@gmail.com

1. Pledge of Allegiance: Director Richard Macedonio

2. Call to Order: Chair Karen Macedonio

3. Roll Call:

Director Rubi Foley, Present
Director Richard Macedonio, Present
Director LaMiya Patrick, Present
Director Lois Peralta, Absent
Chair Karen Macedonio, Present

Staff Present: Alex Lemieux- Legal Counsel, Present
David Aranda, BHI Consultant, Present
Linda Cook, Consultant, Present

Public Present: Ellen Doughty, SDRMA Representative
Wendy Tucker, SDRMA Representative

5. **Comments by the Board President:** Chair Karen Macedonio noted that the Agenda for this meeting, held on July 12, 2021, is not listed on the Agenda for approval and we will thus enter it here for approval:

Motion by Director LaMiya Patrick, Second by Director Richard Macedonio

Approved: 4 Ayes, 1 Absent

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye
Director Lois Peralta, Absent
Chair Karen Macedonio, Aye

6. **Public Presentations:**

This portion of the meeting is reserved for persons desiring to address the Board on any matter not on this agenda and over which the Board has jurisdiction. Please be advised that the Brown Act prohibits action on items that are not listed on the agenda. The board may set such items for consideration at some future Board meeting.

OLD BUSINESS:

7. ~~8.~~ **Approval of joining SDRMA for property, Liability and Workers Compensation Insurance, which includes approval of the SDRMA Bylaws, Actions required for membership, applications, and Joint Powers Agreement, etc. with a note to add Resolution 2021-07-03 to August 3, 2021 Agenda for specific approval, and include this agenda item, as well as, Resolution 2021-07-01 & Resolution 2021-07-02, so that everything is together.**

Motion by Director Richard Macedonio, Second by Director Rubi Foley

Approved: 4 Ayes, 1 Absent

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye
Director Lois Peralta, Absent
Chair Karen Macedonio, Aye

8. ~~9.~~ **Approval of Resolution 2021-07-01: A Resolution of the Board of Directors of the East Kern Health Care District Approving the Form of and Authorizing the Execution of a sixth amended Joint Powers Agreement and Authorizing participation in the Special District Risk Management Authority Property/Liability Program and Workers' Compensation Programs.**

Motion by Director Richard Macedonio, Second by Director Rubi Foley

Approved: 4 Ayes, 1 Absent

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye
Director Lois Peralta, Absent
Chair Karen Macedonio, Aye

9. ~~10.~~ **Approval of Resolution 2021-07-02: A Resolution of the Governing Body of the East Kern Health Care District, Declaring that the Governing Body Members and Volunteers Shall be Deemed to be Employees of the District for the Purpose of Providing Workers' Compensation Coverage for Said Certain Individuals While Providing their services.**

Motion by Director Richard Macedonio, Second by Director Rubi Foley

Approved: 4 Ayes, 1 Absent

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye
Director Lois Peralta, Absent
Chair Karen Macedonio, Aye

10. ~~11.~~ **Approval of collaboration with California City to access Cares Funding.**

Tabled-no action taken, a meeting with the City has not yet happened.

11. ~~7.~~ **Discussion and Approval to extend the Consulting agreement Between BHI Consulting and East Kern Health Care District for an Additional two months.**

Motion by Director Richard Macedonio, Second by Director LaMiya Patrick

Approved: 4 Ayes, 1 Absent

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye
Director Lois Peralta, Absent
Chair Karen Macedonio, Aye

FUTURE AGENDA ITEMS:

Director: Rubi Foley – Continuity Books
Director: Richard Macedonio:
Director: LaMiya Patrick: Technology & Engagement
Director: Lois Peralta
Chair: Karen Macedonio:

DIRECTORS COMMENTS FOR NON-AGENDA ITEMS:

Director: Rubi Foley
Director: Richard Macedonio:
Director: LaMiya Patrick:
Director: Lois Peralta
Chair: Karen Macedonio:

STAFF COMMENTS:

Linda Cook:

David Aranda: Jim D.-Adventist Health Sent a Quote for work to be done on flooring.

Alex Lemieux:

ADJOURNMENT

Motion by Director Richard Macedonio, Second by Director LaMiya Patrick
Time: 5:59 pm

NEXT REGULAR MEETING: August 3, 2021 5:00 pm. 8101 Bay Ave California City, CA

SIGNED:

Karen Macedonio, President/Director

LaMiya Patrick, Vice President/Director



MINUTES

EAST KERN HEALTH CARE DISTRICT BOARD OF DIRECTORS

REGULAR MEETING

8101 Bay Ave. CALIFORNIA CITY

Our mission is to expend financial resources to help residents of the District satisfy their healthcare needs.

07/06/2021 5:04PM

Special Notice

Teleconference Accessibility

Pursuant to Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to protect both staff, our constituents, and elected officials, the East Kern Health Care District will hold its board meeting via teleconference or the most rapid means of communication at the time. The public may participate in the teleconference by clicking on the link below:

<https://us02web.zoom.us/j/89529465117>

Meeting ID: 895 2946 5117

Public comments may be made through teleconference when prompted by the President during the public comment period. Public comments may also be provided through email by emailing eastkernhealthcaredistrict@gmail.com during or prior to the meeting.

Please indicate comments on the subject line.

If you have difficulty connecting to the teleconference line, please call 669-900-6833 or email eastkernhealthcaredistrict@gmail.com

- 1. Pledge of Allegiance – Lead by Richard Macedonio**
- 2. Call to Order: By President Karen Macedonio at 5:04 pm**

3. ROLL CALL

Director Rubi Foley, Present
Director Richard Macedonio, Present
Director LaMiya Patrick, Present
Director Lois Peralta, Present
Chair Karen Macedonio, Present

Staff Present: Alex Lemieux- Legal Counsel, Present
David Aranda & Brent Ives BHI Consultant, Present
Linda Cook, Consultant, Present
Public – No other public parties present

4. **Approval of Agenda:** Chair Karen Macedonio asked that revisions be made in the order of the Agenda, you will see the item's listed the way she asked, and the scheduled order in red.

Motion to accept by Director R. Macedonio, Second by Director Patrick.

Approved: 5 Ayes

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye
Director Lois Peralta, Aye
Chair Karen Macedonio, Aye

5. **Comments by Board President:** Comments were given during Approval of Agenda

6. **Public Presentations:** No public presentations were made.

Reporting:

7. **Consulting Report: Shawn Sprague-**Concerning Shawn Sprague, an email Resignation from Shawn Sprague has been received and filed.
8. **Consulting Report:** BHI Management Consulting, David Aranda (Board President asks that future reports be in the form of a to-do-list going forward).
9. **Consulting Report:** Linda Cook, Consultant. (Board President asks that future reports be in the form of a to-do-list going forward).
- 10.-18. **A. Cancer Fund: Board Discussion and Direction regarding retaining the Cancer Fund Program and the District making other donations.** This discussion was tabled until more information from former directors can be obtained.

22. B. Discussion and Direction regarding shade cover for the Adventist Health Building: This is a no from the board, far too windy for this type of shade.

Action Items: Consent Calendar:

10. **Approval of Minutes and Reports:**

Approve Minutes from June 1, 2021 Regular Meeting, and June 9, 2021 Special Planning Meeting.

11. **Approval of Bills to pay for June 2021:** Approve warrants 3 EFT's, and check#'s 35702-35727 for a total amount of \$28,162.97. (June) See attached Check Detail and Petty Cash Report (No Transactions) (1 Void Check # 35721-Shawn Sprague (duplicate).

12. Approval of Financial Reports: Profit & Loss Report for May, Bank Balances with Interest Report and Deposit Detail Reports for May 2021. Motion was made by Director Patrick, and Second by Director Foley to approve the Consent Agenda Items.

Approved: 5 Ayes

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye
Director Lois Peralta, Aye
Chair Karen Macedonio, Aye

13. ~~23.~~ Discussion and Approval to send up to 2 Board Members to the CSDA Annual Conference, at a cost of \$2,000.00 per person.

Motion to approve by Director R. Macedonio, Second by Director Peralta

Approved: 5 Ayes

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye
Director Lois Peralta, Aye
Chair Karen Macedonio, Aye

NEW BUSINESS:

14. ~~17.~~ INSURANCE: Board discussion and decision regarding District's Insurance options that have been obtained.

Motion to accept proposal from SDRMA by Director Peralta, Second by Director Patrick

Approved: 5 Ayes

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye
Director Lois Peralta, Aye
Chair Karen Macedonio, Aye

15. STAFFING: Board discussion and possible decision regarding future Staffing for EKHCD. Decision to first write a job description, then train, after collecting potential candidates; Linda to accumulate list of Candidates. No further action taken.

16. ~~14.~~ Decision to hire Linda Cook as an employee, as of July 1, 2021. The attorney and Linda will work toward a proper contract, based on the prior Contract, and stipulations of email from Linda Cook.

Motion to hire by Director Patrick, Second by Director R. Macedonio

Approved: 5 Ayes

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye

Director Lois Peralta, Aye
Chair Karen Macedonio, Aye

17. ~~16.~~ Discussion and direction regarding BHI Contract: Tabled until July 12th Special Meeting.

19. Discussion and possible direction regarding sending a letter to California City Council regarding the Aspen Mall Lighting and Landscape Assessment. Chair Karen Macedonio recused herself from this discussion. Motion to approve sending proposed letter to California City Council by Director R. Macedonio, Second by Director Peralta.

Approved: 4 Ayes

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye
Director Lois Peralta, Aye
Chair Karen Macedonio recused herself from this discussion.

20. Discussion regarding collaboration with California City to access Cares Funding (MLK initiative for COVID19): Tabled until July 12th Special Meeting.

21. Approval of Fiscal Year 2022 Budget for EKHCD.

Motion to approve by Director Patrick, Second by Director Foley

Approved: 5 Ayes

Director Rubi Foley, Aye
Director Richard Macedonio, Aye
Director LaMiya Patrick, Aye
Director Lois Peralta, Aye
Chair Karen Macedonio, Aye

22. ~~24.~~ Approval of I-Pad purchase for use by the Directors:

Tabled- Ask Streamline about a backdoor to I-Pads.

CLOSED SESSION:

**PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)
– CONFERENCE WITH LEGAL COUNSEL – EXISTING
LITIGATION REGARDING THE FOLLOWING MATTER:
PURDUE PHARMA L.P. ET AL (U.S. BANKRUPTCY COURT
FOR SOUTHERN DISTRICT OF NEW YORK, CASE NO. 19-
23649:**

During Closed Session: The Board has taken action against the restructuring plan.

FUTURE AGENDA ITEMS:

Director: Rubi Foley

Director: Richard Macedonio:

Director: LaMiya Patrick:

Director: Lois Peralta

Chair: Karen Macedonio:

DIRECTORS COMMENTS FOR NON-AGENDA ITEMS:

Director: Rubi Foley

Director: Richard Macedonio:

Director: LaMiya Patrick:

Director: Lois Peralta

Chair: Karen Macedonio:

STAFF COMMENTS:

Linda Cook:

David Aranda:

Alex Lemieux:

ADJOURNMENT

Motion _____ Second _____ Time _____

NEXT REGULAR MEETING: August 3, 2021 5:00 pm. 8101 Bay Ave California City, CA

SIGNED:

Karen Macedonio, President/Director

LaMiya Patrick, Vice President/Director

SEAL:

- Subject:** **Approval of Resolution 2021-07-03:** A Resolution Authorizing Application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-Insure Workers' Compensation Liabilities
- Submitted by:** David Aranda, BHI Consultant
- Meeting Date:** August 3, 2021
- Background:** The Board voted to join SDRMA at the regular meeting of July 6, 2021, for property, liability, errors and omissions and workers compensation insurance. Approval of these documents was partially done at the July 12, 2021 Special Meeting. We will finalize the effort today with the passage of the final Resolution 2021-07-03.
- Attached are documents approved at the Special Meeting on July 12, 2021, along with the one Resolution 2021-07-03, that needs to be approved at tonight's meeting, to complete this process. A checklist provided by SDRMA is attached showing the documents provided, and the one item left to complete.



State of California
Department of Industrial Relations
OFFICE OF SELF-INSURANCE PLANS

APPLICATION FOR CERTIFICATE OF CONSENT
TO SELF-INSURE AS A PUBLIC AGENCY EMPLOYER SELF-INSURER
All questions must be answered. If not applicable, enter "N/A".

To the Director of the Department of Industrial Relations: The public agency employer identified below submits the following information to obtain a Certificate of Consent to Self-Insure the payment of workers' compensation under California Labor Code Section 3700.

LEGAL NAME OF APPLICANT (Show exactly as on Charter or other official documents):

East Kern Health Care District

Address: 8101 Bay Avenue

City: California City State: CA Zip + 4: 93505 -

Federal Tax ID # of Group: 35-2581378

CONTACT - Who Should Correspondence Regarding This Applicant Be Addressed To:

Name: Karen Macedonio Title: Board President

Company Name: East Kern Health Care District

Address: P.O. Box 2546

City: California City State: CA Zip + 4: 93504 - 0546

Phone: (760) 373-2804 E-Mail: directormacedonio@ekhcd.org

TYPE OF PUBLIC ENTITY (Check one):

- City and/or County
- School District
- Police and/or Fire District
- Hospital District
- Joint Powers Authority
- Other (describe): Health Care District

TYPE OF APPLICATION (Check one):

- New Application
- Reapplication (Merger/Unification)
- Reapplication (Name Change)
- Other (describe):

Date Self-Insurance Program will begin: 07/19/2021

CURRENT WORKERS' COMPENSATION PROGRAM

- Currently Insured with State Fund Policy # 9160588-20 Expiration Date: 06/10/2021
- Currently Self Insured, Certificate # _____
- Other (describe): _____

CLAIMS ADMINISTRATION

Who will be administering your agency's workers' compensation claims? (Check one)

- JPA will administer
- Third Party Administrator, TPA Certificate # 132
- Public entity will self-administer
- Insurance Carrier will administer

Name of Third Party Administrator:

Name: Dorienne Zumwalt Title: Account Manager

Company Name: Sedgwick

Address: Post Office Box 619058

City: Roseville State: CA Zip + 4: 95661 - _____

Phone: (916) 960-0900 E-Mail: dorienne.zumwalt@sedgwick.com

of claims reporting locations to be used to handle Agency's claims: 1

Does applicant currently have a California Certificate of Consent to Self-Insure? Yes No

If yes, what is the current Certificate Number: _____

Total Number of Affiliate's California employees to be covered by Group: 6

AGENCY EMPLOYER

Current # of Agency Employees: 1 # of Public Safety Employees (police//fire): _____

If school District, # of certificated employees: 0

Will all Agency employees be covered by this self-insurance plan? Yes No

If 'No', explain who is not covered and how workers' compensation coverage will be provided to the excluded employees:

JOINT POWERS AUTHORITY

Will applicant be a member of a JPA for workers' compensation ?

Yes No (If 'yes', complete the following)

Effective date of JPA Membership: _____ JPA Certificate # 5806

Name of JPA: Special District Risk Management Authority

AGENCY SAFETY PROGRAM

Does the Agency have a written Injury and Illness Prevention Program (IIPP)? Yes No

Individual responsible for Agency workplace safety and IIPP program:

Name: Linda Cook Title: Office Clerk

Company Name: East Kern Health Care District

Address: P.O. Box 2546

City: California City State: CA Zip + 4: 93504 - 0546

Phone: (760) 373-2804 E-Mail: eastkernhealthcaredistrict@gmail.com

SUPPLEMENTAL COVERAGE

1.) Will your program be supplemented by any insurance or pooled coverage under a **STANDARD** workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: _____

Policy #: _____ Effective Date of Coverage: _____

2.) Will your program be supplemented by any insurance or pooled coverage under a **SPECIFIC EXCESS** workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: PRISM

Policy #: WCEL-LCA-SDRMA-202122 Effective Date of Coverage: 07/01/2021

Retention Limits: \$750,000 SIR

3.) Will your program be supplemented by any insurance or pooled coverage under an **AGGREGATE EXCESS** (stop loss) specific excess workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: _____

Policy #: _____ Effective Date of Coverage: _____

Retention Limits: _____

RESOLUTION FROM GOVERNING BOARD

Attach a properly executed Governing Board Resolution. See attached sample resolution on page 5.

CERTIFICATION

The undersigned on behalf of the applicant hereby applies for a Certificate of Consent to Self-Insure the payment of workers' compensation liabilities pursuant to Labor Code Section 3700. The above information is submitted for the purpose of procuring said Certificate from the Director of Industrial Relations, State of California. If the Certificate is issued, the applicant agrees to comply with applicable California statutes and regulations pertaining to the payment of compensation that may become due to the applicant's employees covered by the Certificate.

X

DATE: 07/12/2021

SIGNED: Authorized Official / Representative

Karen Macedonio

Printed Name

Board President

Title

East Kern Health Care District

Agency Name

RESOLUTION NO.: 2021-07-03 DATED: 08/03/2021

**A RESOLUTION AUTHORIZING APPLICATION
TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE OF CALIFORNIA
FOR A CERTIFICATE OF CONSENT TO SELF-INSURE
WORKERS' COMPENSATION LIABILITIES**

At a meeting of the East Kern Health Care District Board of Directors
(Enter Name of the Board)

of the East Kern Health Care District
(Enter Name of Public Agency, District, Etc.)

a Health Care District
(Enter Type of Agency, i.e., County, City, School District, etc.) organized and existing under the

laws of the State of California, held on the 2nd day of August, 2021,

the following resolution was adopted:

RESOLVED, that the above named public agency is authorized and empowered to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self-Insure workers' compensation liabilities and representatives of Agency are authorized to execute any and all documents required for such application.

IN WITNESS WHEREOF: I HAVE SIGNED AND AFFIXED THE AGENCY SEAL.

X _____ DATE: 08/02/2021
SIGNED: Board Secretary or Chair

Karen Macedonio
Printed Name

Board President
Title

East Kern Health Care District
Agency Name

Affix Seal Here

**Actions Required to Secure Membership in the
Special District Risk Management Authority
Workers' Compensation and Property/Liability Programs**

Attachment One: **Resolution**—Adoption of A Resolution of the Board of Directors Approving the Form of and Authorizing the Execution of a Sixth Amended and Restated Joint Powers Agreement and Authorizing Participation in the Special District Risk Management Authority Workers' Compensation and Property/Liability Programs (an electronic version is enclosed). Please note, the Board President/Chairperson or an Agency staff member with signature authorization must sign this document. **EKHCD Resolution 2021-07-01, Approved at July 12, 2021 Special Meeting.** *rec'd WT*

Attachment Two: **Resolution** – Adoption of a Resolution of the Board of Directors Approving the Form of Authorizing coverage for Governing Body members and/or volunteers. **EKHCD Resolution 2021-07-02 Approved at July 12, 2021 Special Meeting.** *rec'd WT*

Attachment Three: **Joint Powers Agreement**—Execution of the Sixth Amended and Restated Joint Powers Agreement Relating to the Special District Risk Management Authority (. Please note, the Board President/Chairperson must sign the original document. *rec'd WT*

Attachment Four: **State of California Application and Resolution**—Approval and completion of the State of California Application for a Public Entity Certificate of Consent to Self-Insure (an electronic version is enclosed). The Board President/Chairperson or an Agency staff member with signature authorization must sign this document on page 4. An Agency Seal is ~~required~~ on page 5. Person signing application (page 4) cannot sign Resolution (page 5). **Agenda Item, August 3, 2021 Regular Board Meeting** *rec'd WT*
** please note the DIR is now requiring a district seal or notary WT*

Attachment Five: **Crime Policy Application**—Completion of the Crime Policy Application for Special District Risk Management Authority (an electronic version is enclosed) for employee and public officials' fidelity blanket bond. The General Manager or another financial administrative staff member should complete and sign this application. **Approved and signed and the July 12, 2021 Special Meeting** *rec'd WT*

Attachment Six: **Loss History**—Please submit complete loss history. If the Agency has no losses, please provide on Agency letterhead a no known losses letter indicating such. **Letter sent to Ellen Doughty, Dated July 12, 2021** *rec'd WT*

Attachment Seven: **By-Laws**—By-Laws of Special District Risk Management Authority (an electronic version is enclosed). **No action is required** as this item is for the Agency's review and file.

Please complete and return all items to:

Member Services
Special District Risk Management Authority
1112 "I" Street, Suite 300
Sacramento, California 95814

Premium and Payment Terms

Special District Risk Management Authority's (SDRMA's) policy period for both workers' compensation and property/liability programs is July 1 through June 30. Workers' compensation and Property/Liability invoices are billed annually. Upon receipt of the Agency's membership documents, SDRMA will forward pro-rated invoices. Payments are due upon receipt of the invoices.

New Member Packet

Each member will receive a new member packet containing SDRMA membership contact information, claim forms and a certificate of coverage. Additionally, once the Agency's membership documents have been processed, copies of the fully executed Sixth Amended and Restated Joint Powers Agreement and the State of California Certificate of Consent to Self-Insure Workers' Compensation Liabilities will be forwarded for your files.

Loss Prevention Program

Actions Required to Secure Membership



Upon securing membership in SDRMA, the Agency will be contacted by SDRMA's Safety and Loss Prevention staff to schedule a comprehensive on-site safety analysis by a certified safety professional, at no additional cost to the member. This value-added service is intended to take a proactive approach to loss prevention, claims education and management. Should you have any questions regarding our safety and loss prevention program, please contact our Chief Risk Officer Dennis Timoney at 800.537.7790.

Please do not hesitate to call 800.537.7790, should you have any additional questions. For more information regarding SDRMA services, please visit our website at www.sdrma.org.

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY COMMERCIAL CRIME INSURANCE APPLICATION

For Agency Use Only
Producer Name: _____
Producer Number: _____
Office: Newport Beach

Note: Please complete one questionnaire for each legal entity to be insured.

Applicant: East Kern Health Care District

Complete Named Insured: East Kern Health Care District

Insured Address: 8101 Bay Avenue
For overnight mail California City, CA 93505
(No P.O. Box) _____

Mailing Address: P.O. Box 2546
 Same as above California City, CA 93504

Contact: David Aranda Title: Consultant
Phone: (661) 301-1231 Ext. _____ Fax: () -N/A
email: daranda@gmail.com

• CURRENT COVERAGE •

Total Limit: \$ 1,000,000 Deductible: \$ 0 Policy Expiration Date: 07 / 19 / 2021

• OPTIONAL QUOTATIONS •

Limits Requested:	\$ <u>1,000,000</u> <input type="checkbox"/>	Deductible:	\$ <u>0</u>
	\$ _____		\$ _____
	\$ _____		\$ _____
	\$ _____		\$ _____

• RENEWAL INFORMATION REQUIRED •

Description of Operations: Leasing Health Care Facilities & furtherance of health care in the community.

Type of Entity to be Insured: Municipality Nonprofit Corporation
 District Hospital Other (please specify)
 Special District Health Care District

Total Number of Employees (Break down as follows): Full Time: _____ Part Time: 1
Elected/Appointed Officials: 5 Volunteers: _____

Number of Employees who actually handle, have access to or maintain records of money, securities or other property: 1

Number of Locations where all employees are located: 1

Total Revenues: \$ 238,123 Total Assets: \$ 2,112,100 Net Income or Revenue: \$ 107,165

Total Fund Equity (Total Assets – Total Liabilities): \$ 2,090,360

Have any control recommendations been made by your CPA in the past 2 years? Yes No
(If yes, provide a list and explain): _____

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY COMMERCIAL CRIME INSURANCE APPLICATION

Note: Please complete one questionnaire for each legal entity to be insured.

Have any control recommendations made by your CPA within the last 2 years NOT been implemented? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, explain _____
Do you have separation of duties over wire fund transfer procedures (i.e. the same person does not authorize and execute the transfer?) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, explain <u>One part time employee, everything is approved by the board prior.</u>
Are any bank deposits or accounts reconciled on a monthly basis by someone NOT authorized to deposit or withdraw? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, explain <u>The person doing deposits also reconciles the accounts, but is not allowed to withdraw.</u>
Do you have counter signature on all checks? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, describe alternate procedures: _____
Is an authorized vendor list utilized? <input type="checkbox"/> Yes <input type="checkbox"/> No Are your procedures designed so that no single employee can control a transaction from beginning to end (i.e. approve a voucher, request and sign a check?) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, explain _____
Do you have any employees on staff who act as internal claims adjuster? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please attach an explanation of the internal controls over the establishment of claims files and issuance of claims settlement checks.
Please list any changes or revisions to your audit or internal control procedures during the last 12 months. _____ _____
Has the Insured had any Commercial Crime losses in the last six (6) years? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (If yes, please provide details): _____
Please provide the latest annual financial statement and CPA Memorandum on Internal Controls if excess limits are being purchased.

NOTICE TO APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR, CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

The undersigned authorized officer/manager of the applicant declares that the statements set forth herein are true. The undersigned authorized officer/manager agrees that if the information supplied on this application changes between the date of this application and the effective date of the insurance, he/she (undersigned) will, in order for the information to be accurate on the effective date of the insurance, immediately notify the insurer of such changes, and the insurer may withdraw or modify any outstanding quotations and/or authorizations or agreements to bind the insurance

Signing of this application does not bind the applicant or the insurer to complete the insurance, but it is agreed that this application shall be the basis of the contract should a policy be issued.

All written statements and materials furnished to the insurer in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

Signed Gaund. Macedonio Title President, EKHC
(Applicant)
Date 07-14-21

RESOLUTION NO. 2021-07-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF EAST KERN HEALTH CARE DISTRICT
APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A SIXTH AMENDED JOINT
POWERS AGREEMENT AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK
MANAGEMENT AUTHORITY PROPERTY /LIABILITY PROGRAM and WORKERS' COMPENSATION
PROGRAMS**

WHEREAS, East Kern Health Care District, a special district duly organized and existing under and by virtue of the laws of the State of California (the "Agency"), has determined that it is in the best interest and to the advantage of the Agency to participate for at least three full years in the property/liability program and workers' compensation program offered by the Special District Risk Management Authority (the "Authority"); and

WHEREAS, California Government Code Section 6500 *et seq.*, provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, Special District Risk Management Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing its members with risk financing and risk management programs; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus lines broker, or any combination of these; and

WHEREAS, participation in Special District Risk Management Authority programs requires the Agency to execute and enter into a Sixth Amended Joint Powers Agreement (the "Amended JPA Agreement"); which states the purpose and powers of the Authority; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AGENCY AS FOLLOWS:

Section 1. Findings. The Agency Board of Directors hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the Agency.

Section 2. Sixth Amended JPA Agreement. The Amended JPA Agreement, proposed to be executed and entered into by and between the Agency and members of the Special District Risk Management Authority, in the form presented at this meeting and on file with the Agency Secretary, is hereby approved. The Agency Board and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver to the Authority the Amended JPA Agreement in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Program Participation. The Agency Board of Directors approves participating for three full program years in Special District Risk Management Authority Property/Liability Program and Workers' Compensation Program.

Section 4. Other Actions. The Authorized Officers of the Agency are each hereby authorized and directed to execute and deliver any and all documents which is necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 12th day of July, 2021 by the following vote:

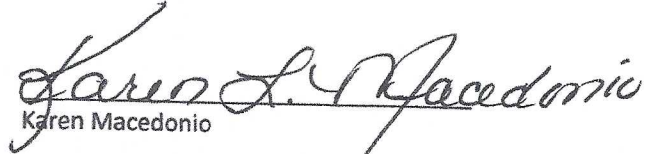
AYES: 4

NOES: 0

ABSENT: 1



Board Secretary, Richard Macedonio


Karen Macedonio

Board President



RESOLUTION OF THE GOVERNING BODY OF
THE EAST KERN HEALTH CARE DISTRICT,
DECLARING THAT GOVERNING BODY MEMBERS AND VOLUNTEERS SHALL
BE DEEMED TO BE EMPLOYEES OF THE DISTRICT FOR THE PURPOSE OF
PROVIDING WORKERS' COMPENSATION COVERAGE FOR SAID CERTAIN
INDIVIDUALS WHILE PROVIDING THEIR SERVICES

WHEREAS, the East Kern Health Care District utilizes the services of Governing Body Members and Volunteers; and

WHEREAS, Section 3363.5 of the California Labor Code provides that a person who performs voluntary service for a public agency as designated and authorized by the Governing Body of the agency or its designee, shall, upon adoption of a resolution by the Governing Body of the agency so declaring, be deemed to be an employee of the agency for the purpose of Division 4 of said Labor Code while performing such services; and

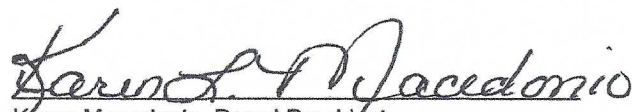
WHEREAS, the Governing Body wishes to extend Workers' Compensation coverage as provided by State law to the following designated categories of persons as indicated by a checkmark in the box to the left of the descriptions:

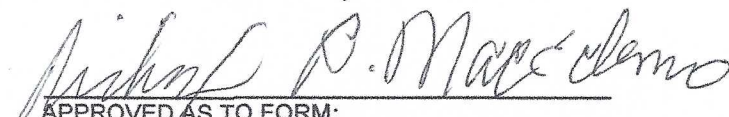
- All Members of the Governing Body of the East Kern Health Care District as presently or hereafter constituted and/or
- All persons performing voluntary services without pay other than meals, transportation, lodging or reimbursement for incidental expenses
- Individuals on Work-study programs
- Interns
- Other Volunteers
- _____
[designate]

NOW, THEREFORE, BE IT RESOLVED, that such persons coming within the categories specified above, including the duly elected or appointed replacements of any Governing Body Member and other designated individuals be deemed to be employees of the East Kern Health Care District for the purpose of Workers' Compensation coverage as provided in Division 4 of the Labor Code while performing such service. However, said Governing Body Members and other designated individuals will not be considered an employee of the East Kern Health Care District for any purpose other than for such Workers' Compensation coverage, nor grant nor enlarge upon any other right, duty, or responsibility of such Governing Body Members or other designated individuals, nor allow such persons to claim any other benefits or rights given to paid employees of the East Kern Health Care District.

PASSED, APPROVED AND ADOPTED this July 12, 2021 by the following vote:

AYES: 4
NOES: 0
ABSENT: 1


Karen Macedonio, Board President
East Kern Health Care District


APPROVED AS TO FORM:



**SIXTH AMENDED
JOINT POWERS AGREEMENT**

RELATING TO THE

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Adopted August 1, 1986
1st Amended February 5, 1988
2nd Amended March 31, 1990
3rd Amended July 1, 1993
4th Amended February 9, 1998
5th Amended and Restated
- Approved March 24, 2003
- Effective July 1, 2003
6th Amended October 2, 2007

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**SIXTH AMENDED JOINT POWERS AGREEMENT
RELATING TO THE
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY**

THIS SIXTH AMENDED JOINT POWERS AGREEMENT (the "Agreement") is made and entered into by and among the public agencies (the "Members") organized and existing under the laws of the State of California, which are signatories to this Agreement.

RECITALS

WHEREAS, California Government Code Section 6500 *et seq.* (the "Act") provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Labor Code Section 3700(c) permits pooling by public agencies of self insurance for Workers' Compensation liability; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, the parties to this Agreement desire to join together for the purposes set forth in Article 2 hereof, including establishing pools for self-insured losses and purchasing Excess or Re-Insurance and administrative services in connection with joint protection programs (the "Programs") for members of the California Special Districts Association ("CSDA"); and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so; and

WHEREAS, the Members have previously executed that certain Fifth Amended and Restated Joint Powers Agreement (the "Original JPA"), which Original JPA the Members desire to amend and restate by this Agreement; provided that such amendment and restatement shall not affect the existence of the Authority; and

WHEREAS, CSDA exists to assist and promote special districts, and has been responsible for the original creation of the Special District Risk Management Authority ("Authority") and Special District Workers Compensation Authority ("SDWCA"), and determined the consolidation of SDWCA and the Authority on July 1, 2003 was in the best interests of special districts and other public agencies throughout the State.

NOW THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

Article 1. Definitions. The following definitions shall apply to the provisions of this agreement:

“Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code, as amended or supplemented.

“Alliance Executive Council” means the council organized pursuant to the MOU.

“Assessment” means an additional amount, in addition to the Member’s or Former Member’s original contribution, which the Board of Directors determines in accordance herewith and/or with the Bylaws that a Member or Former Member owes on account of its participation in a Program for a given Program year.

“Authority” shall mean the Special District Risk Management Authority created by the original version of this Agreement.

“Board of Directors” or “Board” shall mean the governing body of the Authority.

“Bylaws” means the Bylaws of the Authority adopted by the Board of Directors, as they may be amended from time to time.

“Chief Executive Officer” shall mean that employee of the Authority who is so appointed by the Board of Directors.

“Claim” shall mean a demand made by or against a Member or Former Member which is or may be covered by one of the Programs approved by the Board of Directors.

“Contribution” means the amount determined by the Board of Directors to be the appropriate sum which a Member should pay at the commencement of or during the Program Year in exchange for the benefits provided by the Program.

“Coverage Documents” shall mean the Declarations, Memorandum of Coverages, Coverage Agreements, Endorsements, Policies of Insurance or any other documents that provide the terms, conditions, limits and exclusions of coverage afforded by a Program.

“CSDA” means the California Special Districts Association.

“District” shall mean a special district, public agency or public entity within the State of California which is both a Member of the CSDA and a signatory to this Agreement.

“Duly Constituted Board Meeting” shall mean any Board of Directors meeting noticed and held in the required manner and at which a Quorum was determined to be present at the beginning of the meeting.

“Estimated Contribution” means the amount which the Board of Directors estimates will be the appropriate contribution for a Member’s participation in a Program for a Program Year.

“Excess or Re-Insurance” shall mean that insurance which may be purchased on behalf of the Authority and/or the Members to protect the funds of the Members or Former Members against catastrophic losses or an unusual frequency of losses during a single year in excess of the self-insurance retention maintained by the Authority.

“Fiscal Year” shall mean that period of twelve months which is established as the fiscal year of the Authority.

“Former Member” shall mean a District which was a signatory to the Agreement but which has withdrawn from, or been involuntarily terminated from participating in, the Authority.

“Joint Protection Program” means a Program offered by the Authority, separate and distinct from other Programs, wherein Members will jointly pool their losses and claims, jointly purchase Excess or Re-Insurance and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, legal and related services.

“Member” shall mean a signatory to this Agreement, which is qualified as a Member under the provisions of this Agreement and the Bylaws.

“MOU” means the Memorandum of Understanding - Alliance Executive Council, dated as of September 20, 2001, among the Authority, CSDA, the CSDA Finance Corporation and SDWCA.

“Program” or “Programs” means the specific type of protection plan as set forth in the terms, conditions and exclusions of the Coverage Documents for self-insured losses, and the purchasing of Excess or Re-Insurance and administrative services.

“Program Year” shall mean a period of time, usually 12 months, determined by the Board of Directors, in which a Program is in effect.

“Retained Earnings,” as used herein, shall mean an equity account reflecting the accumulated earnings of a Joint Protection Program.

“SDWCA” means the Special Districts Workers Compensation Authority, and its successors or assigns.

Article 2. Purposes. This Agreement is entered into by the Members pursuant to the provisions of California Government Code section 990, 990.4, 990.8 and 6500 *et seq.* in order to provide, subject to the provisions of the Coverage Documents, economical public liability and workers’ compensation coverage, or coverage for other risks which the Board of Directors may determine.

Additional purposes are to reduce the amount and frequency of losses, and to decrease the cost incurred by Members in the handling and litigation of claims. These purposes shall be

accomplished through the exercise of the powers of such Members jointly in the creation of a separate entity, the Special District Risk Management Authority (the "Authority"), to establish and administer Programs as set forth herein and in the Bylaws.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion, at a subsequent date, and subject to approval by the Board of Directors, of such additional Members organized and existing under the laws of the State of California as may desire to become parties to the Agreement and Members of the Authority.

Article 3. Parties to Agreement. Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories to this Agreement and, in addition, with such other parties as may later be added as parties to and signatories of this Agreement pursuant to Article 18. Each party to this Agreement also certifies that the withdrawal from or cancellation of membership by any Member, pursuant to Articles 19 and 20 or otherwise, shall not affect this Agreement nor such party's intent, as described above, to contract with the other remaining parties to the Agreement.

Article 4. Term of Agreement. This Agreement shall become effective as to existing Members of the Authority as set forth in Article 33 hereof. This Agreement shall continue thereafter until terminated as hereinafter provided. This Agreement shall become effective as to each new Member upon: (i) approval of its membership by the Board of Directors, (ii) the execution of this Agreement by the Member, and (iii) upon payment by the Member of its initial Contribution for a Program. Any subsequent amendments to the Agreement shall be in accordance with Article 27 of this Agreement.

Article 5. Creation of Authority. Pursuant to the Act, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Special District Risk Management Authority. Pursuant to Section 6508.1 of the Act, the debts, liabilities and obligations of the Authority, including but not limited to, debts, liabilities and obligations of any of the Programs shall not constitute debts, liabilities or obligations of any party to this Agreement or to any Member or Former Member.

The Authority is not an insurer, and the coverage programs offered by the Authority do not provide insurance, but instead provide for pooled joint protection programs among the members of the Authority. The Joint Protection Programs offered by the Authority constitute negotiated agreements among the Members which are to be interpreted according to the principles of contract law, giving full effect to the intent of the Members, acting through the Board of Directors in establishing the Programs.

Article 6. Powers of Authority. (a) The Authority shall have all of the powers common to Members and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

- (1) to make and enter into contracts, including the power to accept the assignment of contracts or other obligations which relate to the purposes of the Authority, or which were entered into by a Member or Former

Member prior to joining the Authority, and to make claims, acquire assets and incur liabilities;

- (2) to accept an assignment from SDWCA of all its assets, obligations and liabilities prior to the dissolution of SDWCA (including claims and contracts in existence prior to such dissolution) in order to benefit the Members or Former Members participating in the SDWCA workers compensation program; provided, that except for the fair and equitable allocation of administrative and overhead expenses, funds from such assignment shall not be co-mingled and shall be separately accounted for as provided for in this Agreement and the Bylaws.
- (3) to incur debts, liabilities, or other obligations, including those which are not debts, liabilities or obligations of the Members or Former Members, or any of them;
- (4) to charge and collect Contributions and Assessments from Members or Former Members for participation in Programs;
- (5) to receive grants and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- (6) to acquire, hold, lease or dispose of property, contributions and donations of property and other forms of assistance from persons, firms, corporations and governmental entities
- (7) to acquire, hold or dispose of funds, services, donations and other forms of assistance from persons, firms, corporations and governmental entities;
- (8) to employ agents and employees, and/or to contract for such services;
- (9) to incur debts, liabilities or other obligations to finance the Programs and any other powers available to the Authority under Article 2 or Article 4 of the Act;
- (10) to enter into agreements for the creation of separate public entities and agencies pursuant to the Act;
- (11) to sue and be sued in its own name;
- (12) to exercise all powers necessary and proper to carry out the terms and provisions of this Agreement (including the provision of all other appropriate ancillary coverages for the benefit of the Members or Former Members), or otherwise authorized by law or the Act; and
- (13) to exercise all powers and perform all acts as otherwise provided for in the Bylaws.

(b) Said powers shall be exercised pursuant to the terms hereof, in the manner provided by law and in accordance with Section 6509 of the Act. The foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the Member or Former Member designated in the Bylaws.

Article 7. Board of Directors. Subject to the limitations of this Agreement and the laws of the State of California, the powers of this Authority shall be vested in and exercised by, and its property controlled and its affairs conducted by, the Board of the Authority, which is hereby established and designated as the agency to administer this Agreement pursuant to Section 6506 of the Act. The powers of the Authority shall be exercised through the Board of Directors, who may, from time to time, adopt and modify Bylaws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The officers of the Board shall be as set forth in the Bylaws.

So long as the MOU has not been terminated or the Authority has not withdrawn from the MOU, the Board of Directors shall be composed of seven (7) directors elected by the Member entities who have executed the current operative Agreement and are participating in a Joint Protection Program. The terms of directors, procedures for election of directors, procedures for meetings and provisions for reimbursement of Director expenses shall be as set forth in the Bylaws. Each Member of the Board of Directors shall have one vote. Each Member of the Board shall serve as set forth in the Bylaws.

So long as the Authority is a participant in the MOU, the Board of Directors of the Authority shall appoint three (3) members of its board to serve as members of the Alliance Executive Council. No member of the Board of Directors of the Authority shall serve as a director on any other board of directors of an entity or organization that is a signatory to the MOU during the term of the MOU. In the event a director is elected to such a board, that director shall immediately resign from the Board of Directors of the Authority.

In the event SDRMA withdraws from the MOU, the Board of Directors of the Authority shall consist of those seven (7) Directors who hold seats on the Authority's Board of Directors at the time of the withdrawal and who were duly appointed by the Board, or elected or re-elected by the Member entities of SDRMA plus the additional directors appointed by CSDA as provided in Article 25.

Article 8. Compliance with the Brown Act. All meetings of the Board, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950 *et seq.*

Article 9. Powers of the Board of Directors. The Board of Directors shall have such powers and functions as provided for pursuant to this Agreement and the Bylaws and such additional powers as necessary or appropriate to fulfill the purposes of this Agreement and the Bylaws, including, but not limited to, the following:

- (a) to determine details of and select the Program or Programs to be offered, from time to time, by the Authority;

- (b) to determine and select all insurance, including Excess or Re-insurance, necessary to carry out the programs of the Authority;
- (c) to contract for, develop or provide through its own employees various services for the Authority;
- (d) to prepare or cause to be prepared the operating budget of the Authority for each fiscal year;
- (e) to receive and act upon reports of committees and from the Chief Executive Officer;
- (f) to appoint staff, including a Chief Executive Officer, and employ such persons as the Board of Directors deems necessary for the administration of this Authority;
- (g) to direct, subject to the terms and conditions of the Coverage Documents, the payment, adjustment, and defense of all claims involving a Member during their period of membership in and coverage under a Program;
- (h) to fix and collect Contributions and Assessments for participation in the Programs;
- (i) to expend funds of the Authority for the purpose of carrying out the provisions of the Agreement and the Bylaws as they now exist or may be hereafter amended;
- (j) to purchase excess insurance, liability insurance, stop loss insurance, officers and directors liability insurance, and such other insurance as the Authority may deem necessary or proper to protect the Program, employees of the Authority and employees of the Members;
- (k) to defend, pay, compromise, adjust and settle all claims as provided for in the Coverage Documents;
- (l) to obtain a fidelity bond in such amount as the Board of Directors may determine for any person or persons who have charge of or the authority to expend funds for the Authority;
- (m) to establish policies and procedures for the operation of the Authority and the Programs;
- (n) to engage, retain, and discharge agents, representatives, firms, or other organizations as the Board of Directors deems necessary for the administration of the Authority;
- (o) to enter into any and all contracts or agreements necessary or appropriate to carry out the purposes and functions of the Authority;

- (p) to acquire, hold, lease, manage and dispose of, as provided by law, any and all property necessary or appropriate to carry out the purposes and functions of the Authority;
- (q) to transact any other business which is within the powers of the Board of Directors;
- (r) to invest funds on hand in a manner authorized by law, the Agreement and the Bylaws;
- (s) to provide financial administration, claims management services, legal representations, safety engineering, actuarial services, and other services necessary or proper to carry out the purposes of the Authority either through its own employees or contracts with one or more third parties;
- (t) to exercise general supervisory and policy control over the Chief Executive Officer;
- (u) to establish committees and sub-committees as it deems necessary to best serve the interests of the Authority; and
- (v) to have such other powers and functions as are provided for pursuant to the Act, this Agreement or necessary or appropriate to fulfill the purpose of this Agreement and the Bylaws.

Article 10. Officers of the Authority. The officers of the Authority shall be as set forth in the Bylaws. The Board may elect or authorize the appointment of such other officers than those described in the Bylaws as the business of the Authority may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in this Agreement, or as the Board, from time to time, may authorize or determine.

Any officer may be removed, either with or without cause, by a majority of the directors of the Board at any regular or special meeting of the Board. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board may delegate the powers and duties of such office to any officers or to any Members of the Board until such time as a successor for said office has been appointed.

Article 11. Provision for Bylaws. The Board shall promulgate Bylaws to govern the day-to-day operations of the Authority. The Board may amend the Bylaws from time to time as it deems necessary, and as provided in the Bylaws. Each Member shall receive a copy of any Bylaws and agrees to be bound by and to comply with all of the terms and conditions of the Bylaws as they exist or as they may be modified. The Bylaws shall be consistent with the terms of this Agreement. In the event any provision of the bylaws conflicts with a provision of this Agreement, the provision contained in this Agreement shall control.

Article 12. [Reserved].

Article 13. Coverage Programs.

(a) The Authority shall maintain such types and levels of coverage for Programs as determined by the Board of Directors. Such coverage may provide for binding arbitration before an independent arbitration panel of any disputes concerning coverage between the Authority and a Member.

(b) The coverage afforded under one or more Programs may include protection for general liability, auto liability, property, boiler and machinery, public officials errors and omissions, employment practices, employee benefits liability coverage, employee dishonesty coverage, public officials personal liability coverage and workers' compensation, as well as coverage for other risks which the Board of Directors may determine to be advisable. More than one type of coverage may be afforded under a single Program.

(c) The Board of Directors may arrange for group policies to be issued for Members, their board members and employees interested in obtaining additional coverage, at an appropriate additional cost to those participating Members.

(d) The Board of Directors may arrange for the purchase of Excess or Re-Insurance. The Authority shall not be liable to any Member or to any other person or organization if such excess or reinsurance policies are terminated, canceled or non-renewed without prior notice to one or more Members, or if there is a reduction in the type of coverage afforded under a program by reason of any change in coverage in a succeeding excess or reinsurance policy, even if such reduction occurs without prior notice to one or more Members.

Article 14. Implementation of the Programs. The Board of Directors shall establish the coverage afforded by each Program, the amount of Contributions and Assessments, the precise cost allocation plans and formulas, provide for the handling of claims, and specify the amounts and types of Excess or Re-Insurance to be procured. The Contributions and Assessments for each Program shall be determined by the Board of Directors as set forth herein, in the Bylaws or in the operating policies established for a Program.

Article 15. Accounts And Records.

(a) **Annual Budget.** The Authority shall, pursuant to the Bylaws, annually adopt an operating budget, including budgets for each Joint Protection Program.

(b) **Funds and Accounts.** The Authority shall establish and maintain such funds and accounts as required by the Board of Directors and as required by generally accepted accounting principles, including separate funds and accounts for each Program, including Joint Protection Programs. Books and records of the Authority shall be open to any inspection at all reasonable times by authorized representatives of Members, or as otherwise required by law.

(c) **Investments.** Subject to the applicable provisions of any indenture or resolution providing for the investment of moneys held thereunder, the Authority shall have the power to invest any money in the treasury that is not required for the immediate necessities of the Authority, as the Board determines is advisable, in the same manner as local agencies pursuant to

California Government Code Sections 53601 *et seq.* (as such provisions may be amended or supplemented).

(d) **No Commingling.** The funds, reserves and accounts of each Program shall not be commingled and shall be accounted for separately; provided, however, that administration and overhead expenses of the Authority not related to a specific Program or Programs may be fairly and equitably allocated among Programs as determined by the Board of Directors. Investments and cash accounts may be combined for administrative convenience, but a separate accounting shall be made for balances of individual funds and Program revenues and expenses.

(e) **Annual Audit.** The Board shall provide for a certified, annual audit of the accounts and records of the Authority, in the manner set forth in the Bylaws.

Article 16. Services Provided by the Authority. The Authority may provide, at the sole discretion of the Board of Directors, the following services in connection with this Agreement:

(a) to provide or procure coverage, including but not limited to self-insurance funds and commercial insurance, as well as excess coverage, re-insurance and umbrella insurance, by negotiation or bid, and purchase;

(b) to assist Members in obtaining insurance coverage for risks not included within the coverage of the Authority;

(c) to assist risk managers with the implementation of risk management functions as it relates to risks covered by the Programs in which the Member participates;

(d) to provide loss prevention and safety consulting services to Members;

(e) to provide claims adjusting and subrogation services for Claims covered by the Programs;

(f) to provide loss analysis and control by the use of statistical analysis, data processing, and record and file keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles;

(g) to review Member contracts to determine sufficiency of indemnity and insurance provisions when requested;

(h) to conduct risk management audits relating to the participation of Members in the Programs; and

(i) to provide such other services as deemed appropriate by the Board of Directors.

Article 17. Responsibilities of Members. Members or Former Members shall have the following responsibilities, which shall survive the withdrawal from, or involuntary termination of participation in, this Agreement:

(a) Each Member shall designate a person to be responsible for the risk management function within that Member and to serve as a liaison between the Member and the Authority as to risk management.

(b) Each Member shall maintain an active safety officer and/or committee, and shall consider all recommendations of the Authority concerning unsafe practices and/or hazard mitigation.

(c) Each Member shall maintain its own set of records, including a loss log, in all categories of risk covered by each Program in which it participates to insure accuracy of the Authority's loss reporting system, unless it is no longer deemed necessary by the Board of Directors.

(d) Each Member shall pay its Contribution, and any adjustments thereto, and any Assessments within the specified period set forth in the invoice, or as otherwise may be set forth herein or in the Bylaws. After withdrawal or termination, each Former Member or its successor shall pay promptly to the Authority its share of any additional Contribution, adjustments or Assessments, if any, as required of it by the Board of Directors under Article 21 or 22 of this Agreement or the Bylaws.

(e) Each Member or Former Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the Programs under this Agreement in which the Member or Former Member participates or has participated.

(f) Each Member or Former Member shall in any and all ways cooperate with and assist the Authority and any insurer of the Authority, in all matters relating to this Agreement and covered claims.

(g) Each Member or Former Member will comply with all Bylaws, rules and regulations adopted by the Board of Directors.

(h) Each Member shall remain a member in good standing of CSDA.

Article 18. New Members. The Authority shall allow entry into its Programs of new Members only upon approval of the Board, with any conditions or limitations as the Board deems appropriate. In order to become a Member and remain a Member, any District must be a member in good standing of CSDA, shall participate in at least one (1) Joint Protection Program and shall be authorized to exercise the common powers set forth in this Agreement.

Article 19. Withdrawal.

(A) Any Member may voluntarily withdraw from this Agreement only at the end of any applicable Program Year and only if:

- (i) The Member has been a signatory to this Agreement for not less than three (3) full Program Years as of the date of the proposed withdrawal;

- (ii) The Member submits a written withdrawal notification in accordance with the Bylaws;
 - (iii) In order to withdraw from the agreement the member must have completed the three (3) full program year participation requirement for each Joint Protection Program the member participated in at the time of withdrawal.
- (B) Any Member may voluntarily withdraw from any particular Joint Protection Program; and
- (i) It has participated in such Joint Protection Program for at least three (3) full Program Years;
 - (ii) it is a participant in another Joint Protection Program; and
 - (iii) the Member submits a written withdrawal notification in accordance with the Bylaws.
- (C) In the event that the three year participation requirement as required by (A)(i) or (B)(i) as to any such Joint Protection Program above has not been met, for each Program the withdrawing Member participated in at the time of its withdrawal, for less than three years such withdrawing member shall be obligated to pay all Contributions and Assessments as if that Member had remained in each such Program for the full three years from the inception of its membership in the Authority.
- (D) In the event that the notice is not provided as required by (A)(ii) or (B)(iii) above, any such withdrawing Member shall, with respect to each Program the Member participated in, be obligated to pay any and all Contributions and Assessments for the next full Program Year.
- (E) A Member may withdraw from any Program (other than a Joint Protection Program) as provided by the Coverage Documents relating to such Program.
- (F) Withdrawal of one or more Members shall not serve to terminate this Agreement.
- (G) A Member may not withdraw as a party to this Agreement until it has withdrawn, as provided in the Bylaws from all of the Programs of the Authority.

Article 20. Involuntary Termination.

- (a) Notwithstanding the provisions of Article 19, the Authority shall have the right to involuntarily terminate any Member's participation in any Program, or terminate membership in the Authority, as provided in the Bylaws.
- (b) Notwithstanding any other provisions of this Agreement, the participation of any Member of the Authority, including participation in any of the Authority's Programs, may be involuntarily terminated at the discretion of the Board of Directors whenever such Member is dissolved, consolidated, merged or annexed. A reasonable time shall be afforded, in the

discretion of the Board of Directors, to place coverage elsewhere. Any such involuntary termination shall not relieve the Member or Former Member of its responsibilities as provided for in Articles 17 or 21.

Article 21. Effect of Withdrawal or Involuntary Termination. The withdrawal from or involuntary termination of any Member from this Agreement shall not terminate this Agreement, and such Member, by withdrawing or being involuntarily terminated, shall not be entitled to payment, return or refund of any Contribution, Assessment, consideration, or other property paid, or donated by the Member to the Authority, or to any return of any loss reserve contribution, or to any distribution of assets (except payment of any Retained Earnings, as set forth in the following paragraph).

The withdrawal from or involuntary termination of any Member after the effective date of any Program shall not terminate its responsibility to pay its unpaid Contribution adjustments, or Assessments to such Program. The Board of Directors shall determine the final amount due from the Member or Former Member by way of contribution or assessments, if any, or any credit due on account thereof, to the Member or Former Member for the period of its participation. Such determination shall not be made by the Board of Directors until all Claims, or other unpaid liabilities, have been finally resolved. In connection with this determination, the Board of Directors may exercise similar powers to those provided for in Article 22(b) of this Agreement, or as otherwise set forth in the Bylaws. Upon such withdrawal from or cancellation of participation in any Program by any Member, said Member shall be entitled to receive its pro rata share of any Retained Earnings declared by the Board of Directors after the date of said Member withdraws or is involuntarily terminated.

Article 22. Termination and Distribution; Assignment.

(a) This Agreement may be terminated any time with the written consent of two-thirds of the voting Members; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of net assets and all other functions necessary to wind up the affairs of the Authority.

(b) The Board of Directors is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Members or Former Members, including those which were signatory hereto at the time the subject Claims arose or was/were incurred, to pay any Assessment in accordance with loss allocation formulas for final disposition of all Claims and losses covered by this Agreement or the Bylaws. A Member or Former Member's Assessment shall be determined as set forth in the Bylaws or the applicable Coverage Documents.

(c) Upon termination of a Program, all net assets of such Program other than Retained Earnings shall be distributed only among the Members that are participating in such Program at the time of termination, in accordance with and proportionate to their cash payments (including Contributions, adjustments, Assessments and other property at market value when received) made during the term of this Agreement for such Program. The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by such Program, or as otherwise set forth in the Bylaws.

(d) Upon termination of this Agreement all net assets of the Authority, other than of any Program distributed pursuant to (c) above, shall be distributed only among the Members in good standing at the time of such termination in accordance with and proportionate to their cash contributions and property at market value when received. The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by this Agreement, or as otherwise set forth in the Bylaws.

(e) In the event the Board of Directors is no longer able to assemble a quorum, the Chief Executive Officer shall exercise all powers and authority under this Article. The decision of the Board of Directors or Chief Executive Officer under this Article shall be final.

(f) In lieu of terminating this Agreement, the Board, with the written consent of two-thirds of the voting Members, may elect to assign and transfer all of the Authority's rights, assets, liabilities and obligations to a successor joint powers authority created under the Act.

Article 23. Enforcement. The Authority is hereby granted authority to enforce this Agreement. In the event action is instituted to enforce the terms of this Agreement, the Bylaws and/or any policies and/or procedures of the Board of Directors and the nondefaulting party(s) should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party(s) herein contained, the defaulting party agrees that it will on demand therefore pay to the nondefaulting party(s) the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party(s).

Article 24. Nonliability of Directors, Officers and Employees. The Board of Directors, and the officers and employees of the Authority, including former directors, officers and employees, shall not be liable to the Authority, to any Member or Former Member, or to any other person, for actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or omitted by any employee or independent contractor; for loss incurred through the investment or failure to invest funds; or for loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such director, officer or employee. No director, officer or employee, including former directors, officers and employees, shall be liable for any action taken or omitted by any other director, officer or employee. The Authority shall defend and shall indemnify and hold harmless its directors, officers and employees, including former directors, officers and employees, from any and all claims, demands, causes of action, and damages arising out of their performance of their duties as such directors, officers or employees of the Authority except in the event of fraud, gross negligence, corruption, malice or intentional misconduct, and the funds of the Authority shall be used for such purpose. The Authority may purchase conventional insurance to protect the Authority, and its participating Members or Former Members, against any such acts or omissions by its directors, officers and employees, including former directors, officers and employees.

Article 25. Provisions Relating to CSDA. It is agreed and understood the mandatory membership in CSDA provision in Article 18 is in consideration of CSDA's exclusive endorsement of SDRMA's programs as they exist or may be modified. CSDA and the Authority

may from time to time exchange services or enter into separate service agreements pursuant to Section 6505 of the Act, including, but not limited to, services relating to educational programs, marketing, web-site graphics and conferences.

So long as the Authority is a participant in the MOU, the Board of the Authority shall appoint three members of the Board to serve as members of the Alliance Executive Council. In the event the MOU has been terminated or the Authority has withdrawn from the MOU, the composition of the Authority Board of Directors shall be increased by two (2) additional directors to be appointed by CSDA. CSDA appointees shall be a director serving on the CSDA Board of Directors and said director(s) shall be a member of an agency who is a signatory to the current SDRMA Joint Powers Agreement.

CSDA shall be a third party beneficiary to Sections 18, 25, 27 of this Agreement.

Article 26. Notices. Notices to Members or Former Members hereunder shall be sufficient if delivered to the principal office of the respective Member or Former Member.

Article 27. Amendment. This Agreement may be amended at any time by a two-thirds vote of the Members; provided, that any amendment to Article 18, Article 25, or Article 27 shall require the prior written consent of CSDA. The Bylaws may be amended as provided therein. Upon the effective date of any validly approved amendment to this Agreement, such amendment shall be binding on all Members.

Article 28. Prohibition Against Assignment. No person or organization shall be entitled to assert the rights, either direct or derivative, of any Member or Former Member under any coverage agreement or memorandum. No Member or Former Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member or Former Member shall have any right, claim or title or any part, share, interest, fund, contribution or asset of the Authority.

Article 29. Agreement Complete. The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein. This Agreement supersedes and replaces the Fifth Amended Joint Powers Amendment.

Article 30. Counterparts. This Agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

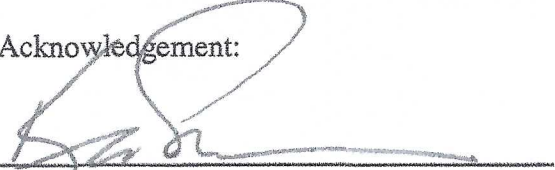
Article 31. California Law. This Agreement shall be governed by the laws of the State of California.

Article 32. Severability. Should any part, term or provisions of this Agreement be determined by any court of component jurisdiction to be illegal or in conflict with any law of the State of California or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Article 33. Effective Date. This Agreement shall become effective as to existing Members of the Authority on the date on which the last of two-thirds of such Members have executed this Agreement.

IN WITNESS WHEREOF, the parties hereto have first executed this Agreement by authorized officials thereof on the date indicated below:

Acknowledgement:



Ken Sonksen, President
Board of Directors
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Oct 2, 2007

Date

I hereby certify this Amended Joint Powers Agreement has also received the required approval of not less than two-thirds of the Member entities then parties to the Fifth Amended Joint Powers Agreement.



James W. Towns, Chief Executive Officer
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Oct. 2, 2007

Date

EXECUTION BY MEMBER

The Amended and Restated Joint Powers Agreement of the Special District Risk Management Authority, has been approved by the Board of Directors of the Member listed below, on the date shown, and said Member agrees to be subject to all of the terms and conditions set forth in said Agreement.

Entity Name: East Kern Health Care District

By: Karen A. Macedonio Karen Macedonio, Board President

By: Linda Cook Linda Cook, Clerk

Date: July 12, 2021

EXECUTION BY AUTHORITY

The Special District Risk Management Authority (the "Authority"), operating and functioning pursuant to this Sixth Amended Joint Powers Agreement, hereby accepts the entity named above as a participating member in the Authority, subject to all of the terms and conditions set forth in this Sixth Amended Joint Powers Agreement and in the Bylaws, effective as of

_____.

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

By: _____
Michael Scheafer, President
Board of Directors

Date: _____

**BYLAWS
OF
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY**

THESE BYLAWS are for the regulation of Special District Risk Management Authority (the "Authority"). The definitions of terms used in these Bylaws shall be those definitions contained in the Sixth Amended and Restated Joint Powers Agreement relating to the Authority (the "Agreement"), supplements to such Agreement, and subsequent amendments to such Agreement, unless the context requires otherwise.

**ARTICLE I
MEMBERSHIP**

1. Eligibility

Any district, public agency, or public entity organized under the laws of the State of California, which is a member of the California Special Districts Association ("CSDA") is eligible for membership in the Authority upon approval by the Board of Directors of the Authority.

2. Participating Member

A "Member," as that term is used herein, is any public entity described in Section 1 above in the State of California whose participation in the Authority has been approved by the Board of Directors, and which (a) has executed the Joint Powers Agreement or successor document pursuant to which these Bylaws are adopted, and (b) which participates in a Joint Protection Program. Absent specific approval of the Board of Directors, all members shall at all times be a participant in either the Property/Liability Program or Workers' Compensation Program established by the Authority.

3. Successor Member Entity

Should any Member reorganize in accordance with the statutes of the State of California, the successor in interest, or successors in interest, if a member of CSDA, may be substituted as a Member upon approval by the Board of Directors of the Authority.

4. Annual Membership Meeting

An annual meeting of the members of the Authority shall be held at a time and place to be determined by the Board of Directors. The annual meeting shall be conducted in accordance with policies established by the Board of Directors. Each and every entity that is a Member of the Authority shall, no less than thirty (30) calendar days prior to such meeting, be given written notice of the time and place of the meeting. The final agenda will be posted 72 hours prior to the meeting in the manner provided by the Ralph M. Brown Act (California Government Code Section 54950 *et seq.* (the "Brown Act")). The agenda shall include:

- a. Those matters which are intended to be presented for action by the Board of Directors;
- b. The general nature of any proposal to be presented for action; and
- c. Such other matters, if any, as may be expressly required by statute or by the Agreement.

**ARTICLE II
BOARD OF DIRECTORS**

1. Powers

Under the Agreement or successor document, the Authority is empowered to carry out all of its powers and functions through a Board of Directors. The Board of Directors shall have the powers set forth as follows, or as otherwise provided in the Agreement:

- a. to make and enter into contracts, including the power to accept the assignment of contracts or other obligations which relate to the purposes of the Authority, or which were entered into by a Member or Former Member prior to joining the Authority, and to make claims, acquire assets and incur liabilities;
- b. to incur debts, liabilities, or other obligations, including those which are not debts, liabilities or obligations of the Members or Former Members, or any of them;

- c. to charge and collect Contributions and Assessments from Members or Former Members for participation in Programs;
- d. to receive grants and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- e. to acquire, hold, lease or dispose of property, contributions and donations of property and other forms of assistance from persons, firms, corporations and governmental entities;
- f. to acquire, hold or dispose of funds, services, donations and other forms of assistance from persons, firms, corporations and governmental entities;
- g. to employ agents and employees, and/or to contract for such services;
- h. to incur debts, liabilities or other obligations to finance the Programs and any other powers available to the Authority under Article 2 or Article 4 of the Act;
- i. to enter into agreements for the creation of separate public entities and agencies pursuant to the Act;
- j. to sue and be sued in its own name; and
- k. to exercise all powers necessary and proper to carry out the terms and provisions of this Agreement (including the provision of all other appropriate ancillary coverages for the benefit of the Members or Former Members), or otherwise authorized by law or the Act.

2. Nomination of Directors

Members may nominate candidates to the Board of Directors in the following manner:

- a. A Member may place into nomination its candidate for any open position on the Board of Directors in accordance with election guidelines established by the Board of Directors.
- b. Each candidate for election as a director must be a member of the board of directors or a management employee of a Member (as determined by the Member's governing board). Only one representative from any Member may serve on the Board of Directors at the same time.
- c. Nominating forms must be completed and received by the Authority at least fifty (50) days before the date the election will occur.
- d. This nomination process shall be the sole method for placing candidates into nomination for the Board of Directors.

3. Terms of Directors

The composition of the Board shall be as set forth in the Agreement. The election of directors shall be held in each odd-numbered year. The terms of the directors elected by the Members will be staggered. Four directors will serve four-year terms, to end on December 31 of one odd-numbered year. Three directors will serve four-year terms, to end on December 31 of the alternate odd-numbered year.

The failure of a director to attend three (3) consecutive regular meetings of the Board (provided such meetings shall occur in a period of not less than three (3) successive months), except when prevented by sickness, or except when absent from the State with the prior consent of the Board, as provided by Government Code, Section 1770 shall cause such director's remaining term in office to be considered vacant. A successor director shall be selected for the duration of such director's term as set forth in Section 5 hereof.

4. Election of Directors

Members may vote for directors in accordance with the balloting process guidelines established herein or as otherwise established by policy of the Board of Directors. Each Member shall have one vote in the election per elected position.

The Board of Directors will conduct the election of directors to serve on the Board of Directors by all-mail ballot. Written notice shall be sent by mail to each Member no later than ninety (90) days prior to the date scheduled for such election. Said notice shall (i) inform each Member of the positions to be filled on the Board of Directors at such election; and (ii) inform each Member of its right to nominate candidates for any office to be filled at the election to Article II, Section 2 of the Bylaws. A form of mail ballot containing all mailed nominations accepted for any office to be filled at the election shall be mailed in accordance with policy established by the Board of Directors to each Member. Said mailed ballot shall indicate that each Member may return the ballot to the principal business address of the



Authority and that only those ballots received prior to the close of business on the date designated for the election shall be considered valid and counted.

5. Vacancy

Upon the death or resignation of any member of the elected Board of Directors, or the determination such member's remaining term is vacant pursuant to Section 3 hereof, the vacancy shall be filled for the balance of the unexpired term by appointment in accordance with policy established by the Board of Directors.

6. Meetings

The business of the Board of Directors shall be conducted and exercised only at a regular or special meeting of the Board of Directors held in accordance with law. Written notice of each meeting shall be given to each director of the Board by mail or other means of written communication, in the manner provided by the Brown Act. Such notice shall specify the place, the date, and the hour of such meeting.

Special meetings of the Board of Directors, for the purpose of taking any action permitted by statute and the Agreement, may be called at any time by the President, or by the Vice President in the absence or disability of the President, or by a majority of the members of the Board.

Any annual, regular, or special Board of Directors' meeting, whether or not a quorum is present, may be adjourned from time to time, as provided by the Brown Act.

Minutes of any and all open meetings shall be available to Members upon request and distributed by mail, electronically, or available on the Authority's MemberPlus on-line web portal.

7. Quorum and Required Vote

A quorum of the Board of Directors shall be a majority of the total number of directors. A quorum must be present at any meeting before the business of the Board of Directors can be transacted. The vote of a majority of the Board of Directors shall be required for any act or decision of the Board of Directors, except as otherwise specifically provided by law or the Agreement. The directors present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough directors to leave less than a quorum.

8. Expenses

Board members shall be reimbursed by the Authority in accordance with policy approved by the Board of Directors for all reasonable and necessary travel expenses when required or incurred by any director in connection with attendance at a meeting of the Board of Directors or a committee thereof and for such other expenses as are approved by the Board. These expenses shall include, but shall not be limited to, all charges for meals, lodging, airfare, and the costs of travel by automobile at a rate per mile established by the Board of Directors.

**ARTICLE III
OFFICERS AND EMPLOYEES**

1. President, Vice President and Secretary

There shall be three officers of the Board: a president, a vice president and a secretary, who shall be members of the Board of Directors.

Election of officers shall be held at the first meeting following January 1 of each year, and each officer's term shall begin immediately thereafter, and shall end following adjournment of the first meeting following January 1 of the next year, or as soon thereafter as a successor is elected.

In the event the president, vice president or secretary so elected ceases to be a member of the Board of Directors, the resulting vacancy in the office shall be filled by election at the next regular meeting of the Board of Directors after such vacancy occurs. The president or vice president may be removed, without cause, by the Board of Directors at any regular or special meeting thereof, by a two-thirds vote of the voting members of the Board.



The president shall preside at and conduct all meetings of the Board of Directors, and shall carry out the resolutions and orders of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe. The president shall be ex-officio a member of all standing committees, if any. In the absence of the president, the vice president shall carry out the duties of the president. The secretary shall keep, or cause to be kept, minutes of all meetings, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

2. Board Committees

Committees of the Board may be appointed in accordance with policy established by the Board of Directors, and membership on such committees may be open to non-members of the Board of Directors. Committees shall include at least one (1) member of the Board of Directors, but may not include a majority of the Board of Directors.

3. Chief Executive Officer

The Board shall appoint a Chief Executive Officer who shall have general administrative responsibility for the activities of the Authority. The Chief Executive Officer shall be paid by the Authority and is a contract position.

The Chief Executive Officer shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office or such other place as the Executive Committee may order, a book of minutes of actions taken at all meetings of the Board of Directors, whether regular or special (and, if special, how authorized), the notice thereof given, the names of those present at the meetings, and the proceedings thereof. The Chief Executive Officer/ shall keep, or cause to be kept, at the principal executive office of the Authority a list of all designated representatives and alternates of each Member. The Chief Executive Officer/ shall give, or cause to be given, notice of all the meetings of the Board of Directors required by the Bylaws or by statute to be given, and shall have such other powers and perform such other duties as may be prescribed by the Board, the Agreement or the Bylaws.

The Chief Executive Officer shall have the duty of administering the Programs of the Authority, as provided for in the Agreement, shall have direct supervisory control of and responsibility for the operation of the Authority including appointment of necessary employees thereof, subject to the approved budget and prior authorization of each position by the Board, and such other related duties as may be prescribed by the Board or elsewhere in these Bylaws or the Agreement.

4. Execution of Contracts

The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Authority, and such authorization may be general or confined to specific instances except as otherwise provided by these Bylaws or the Agreement. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

5. Resignation

Any officer may resign at any time by giving written notice to the president or to the Chief Executive Officer of the Authority, without prejudice, however, to the rights, if any, of the Authority under any contract to which such officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**ARTICLE IV
DESIGNATED ENTITY**

The Lewiston Community Services District is hereby designated as the applicable entity for defining the restrictions upon the manner of exercising power as set forth in the California Government Code Section 6509, and as provided for in the Agreement of which these Bylaws are a part.

Should the Lewiston Community Services District terminate its membership or be involuntarily terminated in accordance with provisions of these Bylaws, the Board of Directors shall, by resolution, name a successor Member as the "designated entity" until such time as this Article can be amended.

ARTICLE V
JOINT PROTECTION PROGRAMS

1. Implementation of Joint Protection Programs

The Board of Directors may, at any time, offer such Programs as it may deem desirable. Such Program or Programs shall be offered on such terms and conditions as the Board of Directors may determine. Members must participate in at least one Joint Protection Program, but participation in any additional Programs or plans will be optional. Those Programs currently include: Property/Liability, Workers' Compensation, Health Benefits and various optional ancillary coverages. The Board of Directors shall establish the amount of Contributions, Estimated Contributions and Assessments, determine the amount of loss reserves, provide for the handling of claims, determine both the type and amount of insurance and/or reinsurance, if any, to be purchased, and otherwise establish the policies and procedures necessary to provide a particular Program for Members. As soon as feasible after development of the details of a Program, the specific rules and regulations for the implementation of such Program shall be adopted by the Board, which shall cause them to be set forth in written form in a policy and procedures manual prepared by the Authority for the Members.

2. Method of Calculating Contributions

The Board of Directors shall establish the method of calculating contributions for Members in each Program or plan annually.

ARTICLE VI
FINANCIAL AFFAIRS

1. Accounts and Records

In compliance with California Government Code Sections 6505.5 and 6505.6 (or as they may be amended), the Treasurer of the Authority shall establish and maintain such bank accounts and maintain such books and records as determined by the Board of Directors and as required by generally accepted accounting principles, the Governing Documents, applicable law, or any Resolution of the Authority. Books and records of the Authority shall be open to inspection at all reasonable times by authorized representatives of Members. Periodically, but not less often than annually, financial reports shall be made available to all Members.

As provided in the Agreement, the funds, reserves and accounts of each Program shall not be commingled and shall be separately accounted for; provided, however, that administration and overhead expenses of the Authority not related to a specific Program or Programs may be allocated among Programs as determined by the Board of Directors.

2. Audit

The Authority shall obtain an annual audit of its financial statements, which audit shall be made by an independent certified public accountant and shall conform to generally accepted auditing standards and accounting principles. A copy of said audit report shall be available, upon request, to each of the Members. Such audit report shall be obtained and filed within six months after the end of the fiscal year under examination with the State Controller and the Auditor-Controller of Sacramento County. A copy will also be posted to the Authority's website.

3. Annual Budget

Prior to the beginning of each Fiscal Year (or Program Year, as appropriate) the Board shall annually approve an operating budget for the Authority, including a budget for each Joint Protection Program.

4. Risk Sharing

a. Except as otherwise determined by the Board, all Programs established and/or operated under the Agreement or these Bylaws are intended to be risk-sharing programs. Notwithstanding this intention, and upon findings by the Board of Directors of the Authority that confirm the value thereof, the Board of Directors may recognize sound risk management and loss control by the members through contribution and coverage modifications.

b. The Board of directors authorizes the Chief Executive Officer to make adjustments to a member agency's specific deductibles, risk factor, experience modification factor or the coverage afforded based on:

i. The Member's loss experience in comparison to the loss experience of the other members;

- ii. Non-compliance with SDRMA recommended risk management or loss control measures;
- iii. The Member's failure to allow SDRMA or its agents reasonable access to facilities and records in the event of a claim or a loss control inspection;
- iv. The Member's failure to cooperate with SDRMA's officers, agents, employees, attorneys and claim adjusters; or
- v. The Member's failure to honor any other reasonable request by SDRMA with respect to fulfilling the Member's responsibilities as outlined in Article 17 of the Joint Powers Agreement relating to the Authority.

5. Distribution of Net Position

Any Net Position from the operation of any Program, in such amounts and under such terms and conditions as may be determined by the Board of Directors, may be distributed to the Members in such Program. Any distribution of such funds shall be made on a pro rata basis in relation to net contributions paid to that Program and shall be made only to those Members which participated in the Program during the Program Year in which the Net Position were generated. Such distributions may be made to Members based on the Program Year(s) during which the Member participated, even if the Member is not a Member at the time of the distribution.

6. Assessments

- a. If, in the opinion of the Board of Directors, claims against Members in any particular Program or plan for any particular Program Year are of such a magnitude as to endanger the ability of the Authority to continue to meet its obligations for that Program for that Program Year, each Member who has participated in that particular Program or plan of the Authority during the applicable Program Year shall be assessed a pro rata share of the additional amount determined necessary by the Board of Directors to restore the ability of the Authority to continue to meet its obligations for the applicable Program Year.
- b. Each Member's pro rata share of the total Assessment shall be in the same proportion as that Member's gross contributions paid during or due for the applicable Program Year bears to the total gross Contributions paid by or due from all Members during the applicable Program Year. In calculating these amounts, the Assessment shall not be included in gross Contributions.
- c. Failure of any Member to pay any regular Contribution or Assessment when due shall be cause for the involuntary termination of that entity's membership in the Authority. Such Assessment shall be a debt due by all Members who have participated in the applicable Program or plan during the applicable Program Year, and shall not be discharged by termination of membership.

7. Fiscal Year

The Authority shall operate on a fiscal year commencing on July 1 and ending on the following June 30. Such fiscal year shall also be the Program Year for any Member in any Joint Protection Program.

8. Agency Funds; No Loans

All funds received within a Joint Protection Program, as determined by the Board, for the purposes of the Authority shall be utilized solely for the purposes of such Joint Protection Program, and all expenditures of funds shall be made only upon signatures authorized by the Board of Directors, which shall establish the necessary procedures for doing so. Any funds not required for the immediate need of the Authority, as determined by the Board of Directors, may be invested in any manner authorized by law for the investment of funds of a special district.

Except for the allocation of administrative and overhead expenses, and for investment purposes as set forth in the Agreement, Program funds shall not be commingled and shall be separately accounted for.

The Board may not approve loans between Programs.

9. Grants and Donations

Without in any way limiting the powers otherwise provided for in the Agreement, these Bylaws, or by statute, the Authority shall have the power and authority to receive, accept, and utilize the services of personnel offered by any Member, or their representatives or agents; to receive, accept, and utilize property, real or personal, from any Member or its agents or representatives; and to receive, accept, expend, and disburse funds by contract or otherwise, for

purposes consistent with the provisions of the Agreement, which funds may be provided by any Member, their agents, or representatives.

10. Recovery of Payment

In the event of any payment by the Authority, the Authority may on behalf of the Member, either in the name of the Authority, in the name of the Member or both, recover sums paid to or on behalf of the Member from any person or organization liable, legally, contractually or otherwise, and the Member shall execute and deliver such instruments and papers, and do whatever else is necessary including execution of an assignment of all claims, including all rights to recover attorney fees, to the Authority or to a third party at the Authority's request, to secure such recovery and shall do nothing to impair such recovery. All sums recovered shall be applied to reimburse the Authority for payments made to or on behalf of the Member, to reimburse the Authority for the expense of such recovery, and to reimburse the Member for any deductible or co-insurance penalty paid.

**ARTICLE VII
WITHDRAWALS; TERMINATION OF MEMBERSHIP**

1. Withdrawal from Programs

A Member may voluntarily withdraw from any particular Program only in accordance with the applicable provision of the Agreement or any successor document thereto. A Member may withdraw from a Program without withdrawing from the Agreement if it is a participant in another Joint Protection Program of the Authority. Notice of intention to withdraw from a Program must be given to the Authority at least ninety (90) days prior to the end of the Program Year. No withdrawal shall become effective until the end of the applicable Program Year.

2. Involuntary Termination

Membership shall be deemed automatically terminated immediately and without prior notice upon the failure of any Member to maintain membership in at least one of the Authority's Programs.

In addition, a Member may be terminated from membership in a Program or the Agreement for cause upon a majority vote of the Board of Directors. The effective date of such termination shall be as determined by the Board of Directors, except that such termination shall take effect no later than sixty (60) days following the Board's decision to terminate and notice thereof is provided to the Member pursuant to Article VII, Section 3. For purposes of this Section, cause shall be deemed to include the following:

- a. Failure to pay any contribution, deposit, contribution to loss reserve, or assessment when due.
- b. Failure to comply with the Bylaws or with the policies and procedures established by the Authority.
- c. Based on a Member's loss experience, the Board of Directors has determined it to be detrimental to the stability of the pool.
- d. Dissolution of a Member.
- e. Failure to maintain membership in CSDA.
- f. Failure to undertake or continue risk management or loss control measures recommended by SDRMA or the Board of Directors.
- g. Failure to allow SDRMA or its agents reasonable access to all facilities and records of the Member which are necessary for the proper administration of a Program.
- h. Failure to cooperate fully with SDRMA officers, employees, attorneys, claims adjusters or other agents.
- i. Failure of a Member, the elected governing body of a Member, or of other personnel of the Member to exercise the Member's powers or fulfill the Member's duties in accordance with the Constitution or laws of the State of California.
- j. Any other act, omission or event, whether or not the fault of the Member, which causes the Member's continued membership in SDRMA to be inconsistent with the best interests of SDRMA or any of its programs.

3. Notification; Hearing, Obligations Upon Involuntary Termination

A Member which is automatically terminated on account of its failure to maintain membership in at least one of the Authority's Programs shall be given notice of such termination within thirty (30) days after such automatic termination. However, the failure to give such notice shall not operate to reinstate such Member.

If the Chief Executive Officer determines that cause exists for termination of a Member's membership and that the Member's membership should, in the best interest of the Authority, be terminated, the Chief Executive Officer shall

issue a written notice to the Member, sent by certified or first class mail, stating the reason or reasons for the proposed termination of membership. In addition, the notice shall state that the Board of Directors, at the next regularly scheduled meeting or at a special meeting, on a date specified in the notice at least thirty (30) days following the date of the notice, will consider the Member's termination of membership at the recommendation of the Chief Executive Officer, and invite the Member to request a hearing on the proposed termination of membership at the board meeting. Any request for a hearing must be made within ten (10) days of the date of the notice. If a hearing is timely requested by the Member at the meeting specified in the notice, the Chief Executive Officer shall present the case for termination of membership for cause to the Board of Directors. The Member shall have a reasonable opportunity to present its case to the Board of Directors and may attempt to show that since the date of the notice, it has undertaken steps to cure any curable grounds for termination of membership.

The decision by a majority of the Board of Directors to terminate a Member's membership shall be final and shall not be subject to appeal in any forum. Notice of the Board's decision shall be given to the Member by certified or first class mail within five (5) days following the decision of the Board of Directors and shall state the effective date of the termination of the Member's membership.

Any terminated Member shall continue to be bound to those same continuing obligations to which a withdrawing Member is obligated in accordance with Article VII, Section 6 of these Bylaws.

4. Voluntary Withdrawal from Agreement

A Member may withdraw voluntarily only as provided in the Agreement. Notice of intention to withdraw from the Agreement must be given to the Authority at least 90 days prior to the end of the Program Year of any Program in which the Member participates at the time of the notice.

5. Payment Upon Termination of Membership

In the event of a termination of the membership of any Member by involuntary or voluntary termination, said Member shall thereafter be entitled to receive its pro rata share of any distribution of Net Position declared by the Board of Directors that pertains to a coverage year during which the terminated Member participated in any particular Program for which such distribution is made. Such payment shall be in full settlement and satisfaction of any and all claims that said terminated Member may have against the Authority.

6. Continued Liability

Upon withdrawal or involuntary termination of a Member, the Agreement shall not terminate and that Member shall continue to be responsible for any unpaid Contributions and for any Assessment(s) levied in accordance with the provisions of the Agreement or Bylaws. Such Member, by withdrawing or being involuntarily terminated, shall not be entitled to payment, return or refund of any Contribution, Assessment, consideration, or other property paid or donated by the Member to the Authority, or to return of any loss reserve contribution, or to any distribution of assets (except payment of any Net Position, as set forth in Article VII, section 5 above.

ARTICLE VIII

TERMINATION OF THE AUTHORITY; TERMINATION OF PROGRAMS

1. After having made proper provision for the winding up of the affairs of the Authority and each of the Programs operated by the Authority, the Authority shall distribute the net assets of the Authority as follows:
 - a. The net remaining assets of the Property/Liability Joint Protection Program shall be paid on a pro rata share basis to each Member who is a member of said Joint Protection Program at the time of termination of the Authority. A Member's pro rata share shall be in the same proportion as the total Contributions and Assessments paid by that Member to said Joint Protection Program or its predecessor in interest from its inception in 1986 and continuing throughout said Member's period of participation bears to the total Contributions and Assessments paid to said Joint Protection Program and its predecessors in interest during its period of operation by all members of said Joint Protection Program at the time of termination.
 - b. The Authority shall pay to each Member who is a member of the Workers' Compensation Coverage Joint Protection Program at the time of termination its pro rata share of the net remaining assets of said Joint Protection Program. A member's pro rata share shall be in the same proportion as the total Contributions and

- Assessments paid by that Member to said Joint Protection Program and its predecessor in interest offered by SDWCA, from its inception in 1982 and continuing throughout that Member's participation, bears to the total Contributions and Assessments paid to said Joint Protection Program and its predecessors in interest offered by SDWCA, during its period of operation by all members of said Joint Protection Program at the time of termination.
- c. The Authority shall pay to each Member who is a member of any additional Program, excluding the Health Benefits Program operated by the Authority at the time of termination its pro rata share of the net remaining assets of said Program. A Member's pro rata share shall be in the same proportion as the total Contributions and Assessments paid by that Member to such Program during its period of participation bears to the total Contributions and Assessments paid to that Program during its entire period of operation by all Members of that Program at the time of termination.
 2. The Board of Directors is also vested with the power to terminate individual Programs operated by the Authority without terminating the Agreement or terminating the Authority. In the event of termination of a Program operated by the Authority, said Program shall continue to exist for the purpose of paying or making provision for the payment of all known claims arising within said Program; for insuring, reinsuring or making other provision for the payment of any and all unknown claims covered by such Program; for the payment of all debts, liabilities, administrative expenses, and obligations of that Program out of the assets of that Program; and to perform all other functions necessary to wind up the business affairs of that Program. After having made proper provisions for the winding up the business affairs of a terminated Program, the Authority shall pay to each Member who is a member of that Program at the time of termination its pro rata share of net remaining assets of that Program. A Member's pro rata share of the net remaining assets of each such terminated Program shall be computed as set forth in paragraph (1) above.
 3. In lieu of terminating this Agreement, the Board, with the written consent of two-thirds of the existing Members, may elect to assign and transfer all of the Authority's rights, assets, claims, liabilities and obligations to a successor joint powers authority created under the Act.

ARTICLE IX
PROVISIONS RELATING TO CSDA

1. Board of Directors; Alliance Executive Council

In the event the Alliance Executive Council MOU has been terminated or the Authority has withdrawn from the MOU, two (2) additional directors to be appointed by CSDA shall increase the composition of the Board of Directors. So long as the Authority is a participant in the MOU, the Board shall appoint three (3) members of the Board to serve as members of the Alliance Executive Council.

CSDA is authorized to appoint two (2) directors as provided in the Agreement, the terms of such appointed directors will end on December 31 of the alternate odd-numbered year to coincide with SDRMA's election of the minority number of directors.

Upon the death or resignation of a member of the Board of Directors appointed by CSDA, the vacancy shall be filled for the balance of the unexpired term by appointment by CSDA.



**ARTICLE X
AMENDMENTS: EFFECTIVE DATE**

These Bylaws may be amended at any time by majority vote of the Board of Directors following a 30-day written notice to all Members as to the amendment(s) proposed to be adopted, except that these Bylaws cannot be amended in any way that would conflict with the terms and provisions of the Agreement or successor document and any amendment thereof. Said written notice provided to members shall include notification of the Board meeting date, time and location that action will be taken by the Board on the proposed amendments.

**ARTICLE XI
PRIOR BYLAWS REVOKED**

When approved by the Board of Directors these Bylaws, upon coming effective pursuant to Article X will supersede and replace all prior bylaws.

* * * * *

AYES:

NOES:

ABSTAINED:

ABSENT:

Approved:



Ed Gray, Vice-President - Board of Directors
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

January 4, 2018
Date

Attested:



Gregory S. Hall, ARM, Chief Executive Officer
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Subject: Discussion and Direction regarding current Lease Agreements.

Submitted by: David Aranda, BHI Consultant

Meeting Date: August 3, 2021

Background: There are a number of issues regarding the current Lease Agreements that EKHCD has with various tenants. President Macedonio suggested we start with a discussion of some basic concerns regarding lease agreements. Listed below you will find some questions with current answers.

1) Q Is there direction regarding lease agreements from the District's Administrative Code?

A Yes, Attached is the policy for the Code. If the District wishes to maintain this policy, we need to follow it.

2) Q Does SDRMA provide guidelines in regard to insurance requirements for leased facilities?

A SDRMA will suggest that a District's Respective General Counsel provide specific direction, but SDRMA's re-insurance Alliant has published a book on Insurance/Rental-Lease issues. Attached are the pages I found applicable to EKHCD.

3) Q What do other Agencies do in regard to policies involving lease/rentals of building space?

A I reached out to SDRMA who owns a building and rents to various tenants. Attached is the Chief Operating Officers answer regarding leases. I have also reached out to a Kern County District and a Health Care District

regarding their policies. I will share answers as they respond to my request.

4) Q What does the Board wish to do in regard to the lease agreements, the need to make them accurate to what is actually taking place and to work on current rate structures and renewal of leases?

A I would suggest a workshop (I can moderate it, if it is desired) where the Board addresses a number of issues so that we can resolve those issues and move forward.

Attached is a spreadsheet Tiffanie did in February 2021 and a spreadsheet Linda updated.

Recommendation: The Board develop consensus and direction regarding who is going to take the lead on this project, and an overview of what the Board wishes to accomplish.

Chapter 3. Rents and Charges

3-3.001 GENERAL

- (a) The Board shall establish rent rates and charges sufficient to recover the cost of operating and maintaining service. The rent rates and charges shall not exceed the reasonable cost of the service.
- (b) The Board shall establish rent rates and charges sufficient to recover the cost of constructing capital improvements requested by customers.

3-3.002 ANNUAL REVIEW

At least annually, the Board shall review the rent rates and charges. Adoption of the annual budget, with rate assumptions included therein, may constitute such review.

Exhibit 3:
Insurance Requirements for Lessees

(Not For Daily or Short Term Rentals)

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than **\$1,000,000** per accident for bodily injury or disease. (This applies to lessees with employees).
3. **Property insurance** against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

If the Lessee maintains broader coverage and/or higher limits than the minimums shown above, the Entity requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Entity.

Other Insurance Provisions:

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The Entity, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Lessee including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Lessee's insurance (at least as broad as ISO Form CG 20 10).

Primary Coverage

For any claims related to this contract, the Lessee's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Entity.

David

From: Paul Frydendal <PFrydendal@sdrma.org>
Sent: Thursday, July 22, 2021 12:13 PM
To: David
Subject: RE: Leasing
Attachments: Suite 100 - Sacramento LAFCO - final 7-13-2016.pdf

David:

We use a standard lease form which gets modified to include "special" issues with a particular tenant – see addendum beginning on Page 15 of 20.

Some want more parking, some want A/C on weekends, some are non-public agencies so we have included the paragraph about Possessory Interest Tax (see para 55) on page 16 or 20. As it turns out, that para is in this lease with the LAFCO which is a public agency, but we probably have it in all leases, just so we don't forget it.

As for "special" pricing for parking, we're trying to level that out as we renew leases b/c we can't provide it for free, as we sometimes did in the early years.

For the CAM charges, our building manager handles all of the calculations and the monthly billings – we talk, but they handle that part.

Regarding the sq. ft. cost, some of it is timing of renewals, some of it is configuration of the suite (not desirable) and length of lease term – if you want to rent for 10 years you'll get a different rate than year by year renewals. Others, we have lowered the base rate b/c we want to charge for parking, if they push back and want free parking, then the base rate for rent goes up.

Bottom line, one size (or rate) doesn't always fit, so sometimes the rates are the same, but sometimes there can be variations for a variety of reasons.

I hope this helps, feel free to ask if you have follow-up questions.

Paul

From: David <daranda300@gmail.com>
Sent: Thursday, July 22, 2021 11:39 AM
To: Paul Frydendal <PFrydendal@sdrma.org>
Subject: Leasing

This e-mail is from an external source. Please exercise caution before opening attachments or clicking links.

Hi Paul: I hope you are doing well and surviving the heat. East Kern Health Care District rents to a number of various tenants and I am wondering if SDRMA developed some policies and procedures in regard to your leasing arrangements

with the tenants in the SDRMA building? For example developing the sq. ft. cost, being consistent and not running into problems of potential bias? I have never dealt with this issue and in looking at the current lease agreements with EKHCD tenants, it is a mess. Thanks for your help. David.

EAST KERN HEALTH CARE DISTRICT
TENANT INFO SHEETS

RENTER NAME	RENT AMOUNT	CONTACT INFO	NOTES
Adventist Health 9350 North Loop Blvd California City, CA 14,976	\$998.00	760-373-1785 ozatall@ah.org Contact: Jim Divian 559-383-4682	Term: 3 yrs 7/2/19-7/2/22 (automatically extended for 2 3 year terms Needs 6 mo's prior notice, to end current terms/or terminate. Square Feet: 1250 Rent is paid prior to 25th of each mo, or 1.5% penalty Utilities: Paid by Tenant Insurance Req: 2 Mill-Comp, 2 Mill-Liab
Adventist Health-Mod. 9350 North Loop Blvd (Modulars) California City, CA 8,867	\$738.97	Annie Ramsey 559-212-9549	Term: 3 yrs 11/1/20-11/1/23 (May be extended 2 Add'l Yrs if tenant provides 180 days prior w/ntc) Square Feet: 720 (1 modular building) Rent is paid prior to 25th of each mo, or 1.5% late penalty Utilities: Paid by Tenant Insurance Req: 1 Mill-Bodily Injury, 1 Mill-Aggregate, \$100,000 Prp Dmg + Medical Malpractice 1 Mill
Bartz-Altadonna 9300 N. Loop Blvd #C California City, CA 15,000	\$812.50 7/1/20 \$937.50 1/1/21 \$1250.00 7/1/21	661-874-4050 Ofc Ext 701 or 702 Mary Cummings 43322 Gingham Ave Lancaster,CA 93535 661-874-4050 ex 201	Term: 5 yrs 3/4/20-4/1/25 (5 YR Lease-Automatically Ext 2 add'l 5yr terms unless 6 mo's prior notice) First 4 mo's Free (flooring credit \$12,500, cur credit bal left \$2,937.50) Square Feet: 1250 Insurance Req: 2 Mill-Liability, 2 Mill-Property Comp
T.J. Srijaerajah, MD 9278 North Loop Blvd. California City, CA 19,200	\$1,600.00	760-373-4809 Ofc Debbie Ramirez 661-948-1611 Cell: 661-547-3548	Term: 3 yrs 5/1/18-5/1/21, 3 yrs extendable Square Feet: 2500 Rent is paid prior to 1st, 1.5% late after 60 days delinquent Utilities: Tenant Pays Holdover- tenant becomes m-t-m Insurance Req: 1 Mill-Bodily Injury, 3 Mill-Aggregate, 1 Mill-Prp Dmg + Medical Malpractice 1 Mill

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EAST KERN HEALTH CARE DISTRICT
TENANT INFO SHEETS

Westpoint Physical Therapy 9300 N. Loop Blvd, #A&B California City, CA	\$900.00	760-373-7338 Ofc 661-265-0060 X102 Amber Not at that location	Term: 3 yrs 5/1/18-5/1/21 (Can be extended add'tl 2 yrs w/ 6mo's prior ntc) Square Feet: 2880 Insurance Req: 1 Mill-Bodily Injury, 1 Mill-Aggregate, 100,000-Prp Liab + Medical Malpractice 1 Mill
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10,800

Tim Rifenberg 8101 Bay Avenue California City, CA	\$150.00	MAILING: 2705 Verbena San Clemente CA 92672 949-292-3704	Term: Month to Month Square Feet: 500 Utilities: Landlord Pays Insurance Req: 1 Mill-Bodily Injury, 3 Mill-Aggregate
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1,800



Property	Tenant	Square footage	Rent Rent per sqft.	Lease term Lease Expiration	Monthly Districts Expenses per property
9278 North Loop	Dr. Sri	2514.5sqft	\$1600.00 \$.64sqft	3 years ending May 2021	Exterminator-\$40 Water- Varies Trash- \$130
9300 North Loop Ste A	West Point	1440sqft used by West Point Total Sqft of building is 2880sqft	\$900.00 \$.63sqft	3 years ending May 2021	Exterminator-\$35 Water- Varies Trash- \$130 Gas- Varies Electric- Varies
9350 North Loop	Adventist Health	1248sqft	\$998.00 \$.80sqft	1 year ending July 2019	Exterminator-\$50 Water- Varies Trash- \$120
9350 North Loop Modular Unit	Adventist Health	720sqft	\$738.97	3 years ending October 2023	Our cost to modular company \$638.98 thru Oct 2023
8051 Bay Ave	Tim Rifenberg	462sqft	\$150.00 \$.32sqft	Month to Month	All utilities are paid with District office
9300 North Loop Suites B and C	Bartz Altadonna Ste C	1250 sqft used by Bartz Total sqft of buildings is 2500sqft	Jan 2021 - June 2021 \$937.50 July 2021 On \$1250.00 Bartz installed flooring in leu of rent flooring cost \$12,500 Rent payment will begin July 2021	5 years ending March 2025	Exterminator-\$35 Water- Varies Trash- \$130
2 acres of vacant land	East Kern Historical Society		\$1.00 a year	50 years ending April 2064	No Utilities

- * All North Loop properties are on one water meter and District receives one bill for all properties
- * All North Loop properties are on one trash bill- there are three 10yd dumpsters for all office buildings to use
- * District will pay for repairs as needed to all office buildings and equipment. ie: A/C units etc.

MINTER FIELD AIRPORT DISTRICT ADMINISTRATIVE CODE		
SECTION TITLE: Leases and Agreements	CODE NO.: 16.00	PAGE: 1 of 1

16.00 Leases and Agreements Update in progress

16.01 Development Leases

The Board may authorize leases for a term not to exceed fifty-five (55) years for the development of unimproved real property. Leases will be standardized as much as possible, but tailored to fit individual requirements.

16.02 Long Term Leases

The Board may authorize long term leases for a term in excess of two years and not to exceed fifty-five (55) years for the use of improved property. Leases will be standardized as much as possible, but tailored to fit individual requirements.

16.03 Short Term Leases

The Board may authorize short term leases for a term of less than two years. Leases will be standardized as much as possible, but tailored to fit individual requirements.

16.04 Month to Month (Aviation)

The General Manager may enter into a month-to-month Agreement on behalf of the District

using a standard form reviewed periodically by the Board.

16.05 Special Use Agreement

The Board may authorize special use agreements for the intermittent or occasional use of District property. The General Manager may authorize permits for the use of airport property when such use does not interfere with airport operations and when such use does not extend for a period of more than three (3) days or involve consideration in excess of \$1000.00 per day.

16.06 Insurance and Indemnification

All agreements entered into by the District for use of District property shall contain provisions for naming the District as an additional insured on a policy or policies of liability insurance in an amount determined by the Board of Directors, procured by the user of District property and indemnifying the District from costs, liability or damages resulting from the user's activities, provided, when the user of District property is a California public agency such agency shall not be required to provide a certificate or certificates of insurance.

**LEASE AGREEMENT
FOR USE OF A PORTION OF
MINTER FIELD AIRPORT**

THIS LEASE AGREEMENT, executed at Shafter, California, this XX day of XXXX, 2018, by and between the **MINTER FIELD AIRPORT DISTRICT**, a special District formed under the California Airport District Act (hereinafter "District"), and XXXX (hereinafter "Lessee");

WITNESSETH:

WHEREAS, in conformance with the provisions of Sections 22553 and 22554 of the Public Utilities Code of the State of California, District owns and operates an airport in the County of Kern, State of California, commonly known and described as Minter Field Airport (hereinafter "Airport"); and

WHEREAS, Lessee desires to lease a portion of the Airport for the purpose and privilege of **occupying and using said hangar for the storage of an aircraft**; and

WHEREAS, Lessee desires to acquire certain rights and privileges in connection with and on the Airport and District is willing to grant same to Lessee under the terms and conditions set forth hereinbelow:

NOW, THEREFORE, IT IS MUTUALLY AGREED as follows:

1. Premises: District, for and in consideration of the covenants, conditions, agreements, and stipulations of this Lease, leases to Lessee those certain premises located on the Airport at XXXX and comprised of XXX square feet (hereinafter "Premises"), shown in red on Exhibit "A," Exhibit being attached to this Lease and by this reference made a part of it.

2. Condition of Premises: Lessee has inspected the Premises and knows its extent and condition and accepts the Premises in its present condition, subject to and including all defects, latent and/or patent. District does not warrant or guarantee the Premises as being suitable for Lessee's purposes. This Lease is subject to all existing easements, licenses, servitudes and right-of-ways for roads, telephone, telegraph and electric power lines and facilities, pipelines, and other purposes, whether recorded or not.

3. Right of Ingress and Egress: Lessee shall have reasonable right of way over real property owned and controlled by District for ingress to and egress from the Premises for pedestrian, vehicular and aviation traffic together with the right to use, in common with other tenants of District, the airplane landing field adjacent to the Premises. None of these rights are exclusive but shall be exercised in common with, and subject to, possible similar rights of other users of the Airport. Such right of way is subject to those rules and regulations District may make from time to time.

District shall have the right to enter the Premises whenever District determines an emergency or other situation exists that requires access by District, emergency vehicles, or emergency personnel.

4. Term: This Lease shall commence on XXXX and shall expire on XXXX. This Lease may be extended as provided by Sections 5 and 6.

5. Holding Over: If Lessee holds over after expiration of the term of this Lease with the written consent of District, the holding over shall be a month-to-month tenancy only and shall be on the same terms, covenants, and conditions except for rent which shall be adjusted to the then-prevailing fair market rent (excluding consideration of the market value of Lessee's improvements and inventory located on the Premises). The then current rent shall be increased by fifteen percent (15%).

6. Rent: As and for rent, Lessee agrees to pay District in lawful money of the United States, without deduction or offset, to the Minter Field Airport District, 201 Aviation Street, Shafter, CA 93263, or to such person(s) and at such place(s) as may be designated from time to time by District, the following sums payable in advance on or

before the first day of each month:

(a) The XXXX rent payable under section 7(a) ("Minimum Rent") shall be adjusted annually, on each anniversary of the effective date of this Lease, based upon changes in the Consumer Price Index-All-Urban Consumers - Los Angeles-Riverside-Orange County ("Index") as published by the United States Department of Labor's Bureau of Labor Statistics ("Bureau"), compared to the Index for XXXX, ("Base Month Index"). The Base Month Index shall be compared with the Index for the same calendar month for each subsequent year ("Comparison Month Index"). If the comparison Month Index is different from the Base Month Index, then the Minimum Rent for the next succeeding year shall be increased or decreased by a fraction, the numerator of which is the Comparison Month Index and the denominator of which is the Base Month Index. In no event shall the Minimum Rent be adjusted downward or upward more than seven percent (7%) each year. Should the Bureau discontinue publication of the Index, or publish the Index less frequently, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued.

(b) On each fifth anniversary of this Lease, rent shall be adjusted to the then-prevailing fair market rental value for the Premises as determined by District and based upon the purpose of this Lease as set forth in this Lease (excluding consideration of the market value of Lessee's improvements and inventory located on the Premises). Once the fair market rental value has been established, it shall become the then-current Minimum Rent and shall be adjusted annually according to the Consumer Price Index set forth in Subsection "b" with the month two months before each fifth anniversary date of this Lease becoming the then-current Base Month Index.

Upon receipt from District of written notice of the fair market rental value, Lessee shall have ten (10) days in which to object to District in writing. In that case, District and Lessee, or their representative, shall have ten (10) days from and after Lessee's filing of its objection in which to attempt to reach a mutually satisfactory rent. If that fails, Lessee shall either accept the adjusted rent or shall, within twenty (20) days from and after Lessee's filing of its objection, appeal to the Board of Directors of District. The Board's decision as to the adjusted rent shall be final.

No receipt by District of a lesser payment than the required rent shall be considered to be other than received on account and no endorsement or statement on any check or letter accompanying any payment or check shall be considered an accord and satisfaction. District may accept checks or payments without prejudice to District's right to recover all amounts due and pursue all other remedies provided in this Lease.

District's receipt of monies from Lessee after giving notice to Lessee terminating this Lease shall in no way reinstate, continue, or extend the lease term or affect the termination notice given by District.

7. Penalty for Slow Payment of Rent: If rent payable to District is not paid in full within thirty (30) calendar days of when due, a penalty of five percent (5%) of the amount due and unpaid shall be added to the amount due, and the total sum of the rent then due plus penalty shall be immediately due and payable to District. A further penalty of five percent (5%) of the amount due and unpaid, including previously assessed penalties, shall be added for each additional thirty (30) calendar days the amount remains unpaid. This five percent (5%) penalty is in addition to any other rights District may have if Lessee fails to perform the terms, covenants, and conditions of this Lease.

8. Purpose: This Lease is made for the purpose of granting Lessee the rights and privileges described below: **to occupy and use such hangar for the storage of an aircraft.**

Lessee shall not use the Premises or permit them to be used for any other purpose without the prior written approval of District. Lessee shall not do, or permit to be done, upon the Premises, any act that constitutes a nuisance or which may disturb the quiet enjoyment of District or any tenant of District on adjacent or neighboring property.

Lessee shall, within seventy-two (72) hours after receiving written notice from District that a nuisance exists, abate or otherwise cause the nuisance to be cured. If Lessee has not taken corrective action within seventy-two (72) hours, or is not diligently pursuing a course of action to cure such nuisance, District may enter the Premises and abate the nuisance at the sole expense of Lessee without liability to District whatsoever for monetary loss or anticipated profits of Lessee or others.

9. Relocation: District reserves the right to relocate hangar. District shall bare the cost associated with the relocation and shall give no less than 72 hour notice of pending relocation.

10. Safety: Lessee shall report any accidents involving Lessee, its employees or others which occur on the Airport, to the appropriate Federal, State, or local authorities as may be required by law. Lessee shall also provide District with a copy of each accident report Lessee provides to Federal, State or local authorities.

11. Right of Inspection: District shall have the right to enter the Premises at all reasonable times to inspect the Premises and Lessee's operations. District reserves all rights in and with respect to the Premises, not inconsistent

with Lessee's use of the Premises, as in this Lease provided, including the right of District to enter the Premises for the purpose of installing, using, maintaining, renewing, and replacing such underground oil, gas, water, sewer, and other pipelines, and such under-ground or above-ground telephone, telegraph, and electric power conduits or lines as District may deem desirable. District shall compensate Lessee for any damage to Lessee's improvements and personal property caused by the exercise of such rights.

12. Negation of Partnership: District shall not become or be deemed a partner or joint venture with Lessee or associate in any relationship with Lessee other than that of landlord and tenant. Lessee shall not be considered an agent, officer, or employee of District. Nothing in this Lease shall be construed or interpreted to make Lessee anything but an independent contractor.

13. Notices: All notices provided to be given by this Lease, or which may be given, by either party to the other shall be deemed to have been fully given three (3) days after being made in writing and deposited with the United States Postal Service, Registered or Certified, postage prepaid and addressed as follows:

To District: Minter Field Airport District
 201 Aviation Street
 Shafter, CA 93263

To Lessee: XXXX

The address to which the notices shall be mailed to either party may be changed by written notice given by such party to the other, but nothing shall preclude the giving of such notice by personal service.

14. Assignment: This Lease shall be binding upon and shall inure to the benefit of the heirs, administrators, executors, successors, and assigns of the parties. Lessee shall not sublet the Premises, or any part thereof, or assign, transfer, mortgage, or otherwise convey this Lease or any of its rights and interest without the prior written consent of District. Lessee will provide copies of the transfer documents to District for its prior review and approval.

Lessee shall pay to District, upon District's request, a fee of **TWO HUNDRED DOLLARS (\$200.00)** for processing each consent to sublet, assign, transfer, mortgage, or any other conveyance. The nature and complexity of each consent request shall determine when this fee will be required. This fee shall be paid to District prior to the granting of any such consent and shall not be refundable for any reason except when consent is withheld. District shall have the right to review and increase the fee effective on each anniversary date of this Lease.

15. Indemnification: Lessee shall indemnify, defend (upon request by District) and save harmless District, its officers, agents, and employees, and each of them, from all losses, costs, expenses, claims, liabilities, attorney's fees, actions and damages, including liability for personal injury or property damage arising out of or in any way connected with: **(a)** Lessee's occupation of and operations on the Premises; or **(b)** Lessee's construction or removal of any structures and improvements from the Premises.

Lessee agrees to indemnify, defend (upon request by District) and save harmless District, its officers, agents and employees, and each of them, from any and all fines, suits, procedures, claims, losses, expenses and actions of every kind and all costs associated therewith, arising out of or in any way connected with any deposit, spill, discharge or other release of hazardous material, as defined in this Lease, that occurs at any time during the term of this Lease as a result of any use of the Premises and/or the occupancy of the Premises by Lessee or any employee, representative, agent, contractor, subcontractor, supplier, customer, guest or invitee of Lessee or as a result of Lessee's failure to provide any and all information, make any or all of its submissions, and take any or all steps required by any governmental authority or court which has jurisdiction.

16. Insurance: Lessee shall maintain in force during the term of this Lease, liability insurance covering all risks associated with Lessee's use of and operations on the Premises, including Lessee's obligations to indemnify and defend District, its officers, agents, and employees as set forth in this Lease. Such coverage shall be in an amount of not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence, with combined coverage for personal injury and property damage with a reliable insurance carrier authorized to do such insurance business in the State of California. Said insurance carrier shall be listed in the current "Best's Key Rating guide" publication with a minimum of a B+, V, rating. Lessee shall also maintain Property Insurance on any Lessee-owned structure(s) and

improvements on the Premises covering loss due to fire, smoke, windstorm, and explosion in an amount at least equal to the replacement value of the structure(s). If Lessee has employees working on the premises, Lessee shall submit written proof that Lessee is insured against liability for worker's compensation in accordance with the provisions of Section 3700 of the Labor Code. In signing this Lease, the Lessee makes the following certification, required by Section 1861 of the Labor Law: "I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the code, and I will comply with such provisions before commencing the performance of the work of this Lease." All insurance coverage shall contain contractual language which recognizes the obligations of Lessee's indemnification promises as set forth in this Lease and show District, its officers, agents, and employees as additional named insureds. The policy(ies) shall not be subject to cancellation or coverage reduction without at least thirty (30) calendar days prior written notice from the insurance carrier(s) to District. All insurance policies shall be written as primary policies, not contributing with and not in excess of coverage District may carry.

Lessee shall file with District, an Insurance Binder on or before the effective date of this Lease; a Certificate(s) of Insurance within ten (10) calendar days of the execution date of this Lease; and a facsimile insurance policy(ies) within thirty (30) calendar days of the effective date of this Lease. Lessee shall not enter or take possession of the Premises until and unless the Certificate of Insurance is on file with District. A current Certificate(s) shall be kept on file with District while this Lease is in force.

Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve the Lessee for liability in excess of such coverage, nor shall it preclude the District from taking such other actions as may be available to it under any other provision of this Lease or otherwise in law.

If Lessee fails to maintain insurance coverage as required by this Lease, or fails to maintain insurance coverage required by law or governmental regulation, it shall be considered a material breach of the Lease and District may terminate the Lease if the condition is not cured within a reasonable time.

District shall have the right to review and increase insurance coverage limits, consistent with other similar users on the Airport, effective on each anniversary date of the effective date of this Lease.

Lessee shall have no interest in or claim to any portion of the proceeds of any insurance that may be maintained by District.

17. Lessee Improvements: Prior to any work of improvement, Lessee shall, with all diligence, obtain necessary permits, address environmental aspects of the improvement, and prepare and file any necessary environmental documents. Lessee shall keep on file with District, copies of permits, environmental documents, and any other documents related to Lessee improvements that are required by any governmental body.

Prior to construction of any structures, Lessee shall obtain the written approval of District for such structures, their location and design, and shall file evidence of construction insurance and of sufficient monies available to complete the construction. District shall establish, and Lessee agrees to adhere to, a timetable for completion of such structures.

18. Furniture and Furnishings: Lessee shall have the right to install necessary furniture and furnishings for its operations on the Premises.

19. Equipment and Business Fixtures: Lessee shall have the right to install and operate all equipment and trade fixtures necessary to its operations on the Premises.

20. Alterations: Lessee shall make no structural, electrical, or plumbing modifications to any District-owned structures or make permanent improvements or additions to, in, or on the Premises without the prior written consent of District.

21. Signs: Lessee shall not construct or place signs, awnings, marquees, or advertising or promotional structures upon the Premises or Airport without the prior written consent of District. Lessee shall remove signs, displays, advertisements or decorations which, in District's opinion, are offensive or objectionable. If Lessee has failed to remove such signs, displays, advertisements or decorations within seven (7) calendar days after written notice has been sent by District, then District shall have the right to enter the Premises and remove them at Lessee's expense.

22. Utilities and Utility Extension: Lessee shall pay, during the term of this Lease, or any extension, all charges for utilities used by Lessee, including any standby charges. The term "utilities" shall include but is not limited to gas, electricity, water, sewer, telephone, and trash and refuse disposal.

Lessee shall pay all expenses incurred in obtaining Lessee-requested extensions or modifications of utility services to the Premises.

23. **Maintenance**: Lessee shall keep all structures and improvements in a good state of repair by periodic maintenance and painting and shall keep the Premises in a good, clean, sanitary, and safe condition.

If Lessee shall fail, neglect, or refuse to do repair or maintenance work required by this Lease within thirty (30) calendar days after written notice from District, or if Lessee fails, neglects, or refuses to pursue the repair or maintenance work with reasonable diligence to completion, District may perform the repair or maintenance work and add the reasonable cost thereof to the rent next due. District may, in connection with such repair or maintenance, erect scaffolds, fences, and similar structures, post relevant notices, and place movable equipment on the Premises without any reduction in Lessee's rent and without incurring liability to Lessee for disturbance or quiet enjoyment of the Premises during any period of loss of occupancy or use.

24. **Hazardous and Toxic Materials**: Lessee shall not keep, store, or place in or on the Premises or Airport, any petroleum products or any material that is in any way hazardous, toxic, radioactive, or explosive except that which is necessary and appropriate to accomplish the purpose of this Lease. All such materials shall be stored, handled, and dispensed as required by applicable governmental regulations and laws. Any spills of such materials by Lessee anywhere on the Airport shall be promptly cleaned up by Lessee at Lessee's expense in accordance with standards of the industry and any applicable governmental regulations and laws. Lessee shall keep a record of all such materials on file with District's General Manager along with copies of applicable governmental documents relating to storage, use, and handling of such materials.

If any hazardous, toxic, radioactive or explosive materials are found on the Premises, District may, at its discretion, require Lessee to remain in possession of the Premises and continue to pay rent, until District determines that such materials are no longer present.

Should any governmental agency, or court which has jurisdiction, demand that a cleanup plan(s) be prepared and/or that cleanup be undertaken because of any deposit, spill, discharge or other release of any hazardous, toxic, radioactive or explosive materials at, on or from the Premises or which arises at any time as a result of use or occupancy of the Premises by Lessee, then Lessee, shall at its sole expense, prepare and submit the required plan(s) and all related bonds and other financial assurances and carry out all such cleanup plans(s) in a timely manner.

25. **Security**: District may, but is not obligated to, engage a security guard to periodically patrol facilities at the Airport. District shall have the right to utilize whatever security services, facilities, equipment, and operations it determines, from time to time, to be in the best interest of the Airport. The cost of such services, facilities, equipment, and operations shall be borne by Airport tenants. Lessee shall pay, upon request of District, its pro rata share of such cost, allocated among Airport tenants on a reasonable and equitable basis, payable in advance on each rent due date, in an amount not exceeding five percent (5%) of the rent as set forth in this Lease.

26. **Damage or Destruction of Premises**: If Lessee-owned structures and improvements located on the Premises are damaged or partially or totally destroyed, Lessee shall immediately restore such structures and improvements at its sole expense. Plans and specifications for the restoration or reconstruction shall be submitted to District for review and approval within ninety (90) calendar days from the date of damage or destruction. Lessee shall follow the construction plans and specifications and construction timetable as established by District.

27. **Surrender of Premises**: Upon termination of this Lease, Lessee shall peaceably and quietly leave, surrender, and yield up to District the Premises in as good condition and repair as at the commencement of Lessee's occupancy, reasonable use and wear thereof and damage by casualty beyond the control of Lessee excepted. Lessee shall leave the Premises free from all debris and rubbish and shall restore the Premises to a condition satisfactory to District.

28. **Removal of Improvements**: Upon expiration or sooner termination of this Lease for any reason other than Lessee's failure to perform its obligations under this Lease, Lessee shall have the right, at its sole expense, to remove all improvements and furniture, furnishings, equipment and fixtures placed on the Premises by Lessee so long as they can be removed without damage or disfigurement to any remaining improvements or to the Premises. If Lessee exercises this right, it shall fully restore the Premises as it existed prior to the occupancy by Lessee.

If Lessee has not removed its improvements by the expiration or termination date, District may, at its option, declare the property to be District-owned real and personal property and use or dispose of the property at its option. District may then restore the Premises as it existed prior to Lessee's occupancy, including removal of debris and rubbish, at Lessee's expense.

29. Liens and Encumbrances: Lessee shall keep the Premises and all structures and improvements located on the Premises free from any liens and encumbrances, except in cases where District has given prior written approval for Lessee to encumber the Premises by utilizing the leasehold interest as collateral for loans to construct improvements on the Premises.

30. Taxes and Assessments: Lessee shall pay all taxes and/or assessments levied by any governmental agency upon any interest acquired by Lessee under the terms of this Lease. Lessee is aware that certain possessory interests may be created by entering into this Lease and that such interests may be subject to property taxation and that Lessee will be subject to the payment of property taxes levied on such interests. Lessee shall pay all taxes, fees, and/or assessments at least thirty (30) calendar days before they shall become delinquent by law.

31. Compliance with Law: Lessee shall promptly comply with all laws, ordinances, rules, regulations, requirements, and orders whatever, present or future, of any governmental agency that may in any way apply to the use, modification, maintenance, occupation of, or operations on the Premises. Lessee agrees that all activities and construction under this Lease are subject to the Americans with Disabilities Act (hereinafter "ADA"). Should Lessee not comply with ADA, and District does work on the Premises to meet ADA standards, Lessee shall reimburse District for all costs incurred by District to comply with ADA.

32. Workers' Compensation: Lessee shall observe the Workers' Compensation Act of the State of California and shall indemnify and save harmless District from all liability under that Act. Lessee shall keep evidence of such coverage on file with District while this Lease is in force.

33. Nondiscrimination and Affirmative Action: Lessee shall not discriminate or permit discrimination against any person or class of persons by reason of race, color, creed, sex, or national origin in any manner prohibited by Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, or as the regulation may be changed from time to time.

Any commercial enterprise on the Airport which employs persons on the Airport and which is primarily related to the aeronautical activities of the Airport, provides goods or services to the public which is attracted to the Airport by aeronautical activities, provides goods or services to other aeronautical related or public service businesses or to the Airport, or performs construction work on the Airport, must comply with certain affirmative action regulations promulgated by the Federal Aviation Administration and implemented by the District. When, and if, Lessee falls within the scope of such regulations, Lessee shall comply with them.

34. Aeronautical Restrictions: There is hereby reserved to District for the use and benefit of the public, a right of flight for the passage of aircraft in the air space above the Premises. This public right of flight shall include the right to cause in the air space any noise inherent in the lawful operation of any aircraft used for navigation or flight through the air space or landing at, taking off from, or operating on the Airport.

Lessee shall not erect any structure or improvement or allow any natural growth or other obstruction on the Premises that exceeds 30 feet above grade. If this covenant is breached, District may enter the Premises and remove the offending structure, improvement, or object and cut the offending growth, all of which shall be at the expense of Lessee.

Lessee shall not make use of the Premises in any manner which might interfere with lawful air navigation and communication, the landing or taking off of aircraft on and from the Airport, or otherwise constitute an airport hazard. If this covenant is breached, District may enter the Premises and cause the abatement of such interference at the expense of Lessee.

District may develop or improve the landing area at the Airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.

This Lease and all its provisions shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation, or taking over of the Airport.

35. Breach: In the event of the breach by Lessee of any of the covenants, conditions, agreements, and stipulations of this Lease, and Lessee's failure to cure such breach within ten (10) calendar days after written notice has been given to Lessee by District, this Lease and all privileges granted by it shall be terminated and be of no force or effect. Lessee shall then immediately surrender possession of the Premises to District. If District must resort to legal action to enforce any provision of this Lease, or to obtain restitution, Lessee shall pay all costs and expenses, including attorney's fees of the action.

36. Waiver of Breach: Waiver by District of any breach by Lessee of any provision of this Lease shall not

be or be deemed to be a waiver of the provision, or a waiver of any other prior or subsequent breach thereof, or a waiver of any breach of any other provision of this Lease.

37. Prior Agreements: This Lease contains all agreements of the parties with respect to any matter mentioned in this Lease. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.

38. Corporate Authority: Each individual executing this Lease on behalf of Lessee represents and warrants that she/he is duly authorized to execute and deliver this Lease on behalf of Lessee and that this lease is binding upon Lessee in accordance with its terms. Lessee shall, within thirty (30) calendar days after execution of this Lease, deliver to District, a certified copy of a Resolution of the Board of Directors of Lessee authorizing or ratifying the execution of this Lease.

39. Severability: If a court of competent jurisdiction holds any Lease provision to be invalid or unenforceable in whole or in part, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected.

40. Venue: This Lease has been entered into and is to be performed in the County of Kern, State of California. Accordingly, the parties agree that the venue of any action relating to this Lease shall be the County of Kern, State of California.

41. Construed Pursuant to California Law: The parties hereto agree that the provisions of this Lease will be construed pursuant to the laws of the State of California.

42. Covenants and Conditions: Each provision of this Lease performable by Lessee shall be deemed to be both a covenant and a condition.

43. Time of Essence: Time is expressly declared to be of the essence of this Lease and of each and every provision hereof, and each such provision is made and declared to be a material, necessary, and essential part of this Lease.

44. CC&Rs and Common Area Maintenance Charges. The District may create future Covenants, Conditions and Restrictions and may make assessments to cover the cost of common area improvements and service such as landscape upgrades and maintaining lighting, architectural improvements and the like. Common Area Maintenance(CAM) charges shall be borne by Airport tenants on a reasonable and equitable basis, payable in advance on each rent due date.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement on the day, month, and year first hereinabove written.

APPROVED AS TO CONTENT: Jonathan Hudson General Manager Minter Field Airport District By: _____ Date: _____
--

MINTER FIELD AIRPORT DISTRICT _____ President, Board of Directors _____ Secretary, Board of Directors Date: _____

XXXX, an individual By: _____ Date: _____
--

AGREEMENT FOR TENANCY FROM MONTH TO MONTH

THIS AGREEMENT, made and entered into this ___ day of ___ by and between the MINTER FIELD AIRPORT DISTRICT, a Special district formed under the California Airport District Act (Hereinafter "District") and ___ (Hereinafter "Lessee"),

WITNESSETH:

WHEREAS, in conformance with the provisions of Sections 22553 and 22554 of the Public Utilities Code of the State of California, District owns and operates an airport in the County of Kern, State of California, commonly known and described as Minter Field Airport (hereinafter "Airport"); and

FOR AND IN CONSIDERATION OF THE COVENANTS CONTAINED HEREIN, IT IS AGREED AS FOLLOWS:

- (1) Lessee agrees to pay District the monthly sum of \$1,000.00 in advance, on or before the first day of each month. If rent due is not paid within 30 days of when due, a penalty of 5% of the amount due and unpaid shall be added to the amount due, and the total sum of the rent then due plus penalty shall be immediately due and payable.
(2) This agreement is made for the purpose of granting Lessee the right and privilege of A Lay Down Yard (See Exhibit A). Lessee shall not use the Premises or permit it to be used for any other purpose without the prior written consent of District. Lessee shall not do, or permit to be done, on the Premises, any act which constitutes a nuisance or which may disturb the quiet enjoyment of District or any tenant of District.
(3) Lessee shall indemnify, and save harmless District from any and all claims for damages or other liability arising out of Lessee's operations or possession of the Premises.
(4) Lessee shall obtain and maintain at Lessee's expense, during the life of this agreement, and covering all of Lessee's operations on the Airport, insurance coverage in an amount of not less than \$500,000 per occurrence, with combined coverage for personal injury and property damage with a reliable insurance carrier authorized to do business in the State of California. All insurance coverage shall contain language which recognizes the obligations of Lessee's indemnification promises and show District, its officers, agents, and employees as additional insured's. The coverage shall include a 30 day cancellation or change notice to District. A Certificate of Insurance shall be filed with District prior to Lessee taking possession of the Premises. Lessee shall have no interest in or claim to any portion of the proceeds of any insurance coverage maintained by District.
(5) Lessee shall observe the Workers' Compensation Act of the State of California and shall indemnify and save harmless District from all liability under that Act.
(6) Lessee shall maintain possession of the Premises and operate same in all respects subject to all applicable rules, regulations, ordinances, and laws of any governmental entity, now in effect or to be enacted;
(7) Lessee shall keep and maintain the Premises in a clean and sanitary condition at all times and on the termination of the tenancy surrender immediately and peaceably possession of the Premises to District in as good condition as when received, ordinary wear and damage by the elements accepted.
(8) Lessee shall not keep, store, or place in or on the Premises any petroleum products or any hazardous, toxic, radioactive, or explosive material except that which is necessary and appropriate to the purposes of this agreement. All such materials shall be stored, handled, and dispensed as required by applicable governmental regulations and laws. Any spills of such materials shall be promptly cleaned up by Lessee at Lessee's expense in accordance with standards of the industry and any applicable governmental regulations and laws.
(9) Lessee shall pay all taxes and/or assessments levied by any governmental entity upon any interest acquired by Lessee under this agreement at least 30 days before they become delinquent. Lessee is aware that certain possessory interests may be created by entering into this agreement and that such interests may be subject to property taxation and Lessee will be subject to payment of property taxes levied on such interests.
(10) Lessee shall pay all maintenance costs, including utilities, utility extension, and other services.
(11) Lessee shall not assign this agreement, sublet the Premises, or otherwise convey any interest in this agreement.
(12) Lessee shall deposit with District \$-0- as security for the faithful performance of the terms and conditions of this agreement. If Lessee defaults in respect to any term or condition contained in this agreement, including rent, District may retain the whole or any part of this security deposit for the payment of rent or any other sum District is required to spend or incur by reason of Lessee's default. When Lessee faithfully and fully complies with the terms and conditions of this agreement, the security deposit or any balance shall be returned to Lessee within 60 days after termination of this agreement. Lessee shall not be entitled to any interest on the deposit.
(13) This agreement does not evidence a partnership or joint venture between the parties and Lessee shall at all times remain an independent contractor.
(14) If Lessee breaches any term or condition of this agreement, it shall terminate upon 30 days written notice from District to Lessee and Lessee shall immediately surrender possession of the Premises to District. If District has to resort to legal action to enforce any provision hereof or to obtain restitution hereunder, Lessee agrees to pay all costs and expenses of such action, including attorney's fees.
(15) Without written consent from District, Lessee shall not make or install any signs, alternations, improvements, additions, fixtures, or any structural, mechanical, or electrical component or mark, paint, or deface any part of any structure.
(16) All fixtures attached to the Premises by Lessee, but not permanently affixed thereto, shall remain the property of Lessee, and Lessee shall have the right of removal at the termination of the tenancy. District shall have a lien on such fixtures for any unpaid rent due and owing.
(17) This agreement and the tenancy hereby granted may be terminated at any time by either party hereto by giving the other party at least 30 days prior written notice.

IN WITNESS WHEREOF the parties hereto have executed this agreement on the day and year first hereinabove written.

MINTER FIELD AIRPORT DISTRICT

By _____ "General Manager"

By _____ "Lessee"

Date _____

Subject: Discussion and Direction regarding Personnel.

Submitted by: David Aranda, BHI Consultant

Meeting Date: August 3, 2021

Background: The Board has approved two part-time positions. Linda Cook has been hired to be the Financial Manager for the District and the other position is for an Office Manager.

The following recommendations are made:

- 1) Develop and approve an Employee Policy Manual that clearly cover all the legal requirements regarding harassment, etc. See the attached copy for the Stallion Springs Manual entitled "Handbook Purpose".
- 2) Develop and approve job descriptions.
- 3) Advertise and accept resumes for the Office Manager position.
- 4) Determine the hiring process for the part time Office Manager position.

I. INTRODUCTION

A. WELCOME TO OUR DISTRICT!

We're very happy to welcome each employee to the Stallion Springs Community Services District (hereinafter "SSCSD" or the "District"). Thanks for joining us! The District would like our employees to feel that their association with the District will be a mutually beneficial and pleasant one.

Our employees are joining an organization that has established an outstanding reputation for quality services. Credit for this goes to every one of our employees. We hope that every employee will find satisfaction and take pride in their work here.

* B. HANDBOOK PURPOSE

The Handbook contains policies that govern employment with SSCSD. The Handbook is designed as a guide to ensure consistent, fair, and uniform treatment of all employees. The Board of Directors has approved the provisions contained herein. SSCSD reserves the right to amend, supplement or rescind any provisions of this Handbook as it deems appropriate with or without notice. Employees shall be advised of changes in policies, benefits and/or procedures.

This Employee Handbook is presented as a matter of information and has been prepared to inform employees about the District's policies and benefits provided to our valued employees, as well as the conduct expected from them. While this handbook is not intended to be a book of all rules and regulations applicable during your employment or a contract, it does include some important guidelines about which employees should know. Except for the at-will employment provisions, the Handbook can be amended at any time with or without notice. The policies and procedures contained herein supersede any and all previously issued policies, procedures, rules or instructions related to human resource management at SSCSD.

It should also be noted that any benefits described in this Handbook are only brief summaries. Official plan documents should be consulted for further information regarding each benefit program. In the case of an actual or apparent conflict between the benefit summaries set forth in this Handbook and the terms of the official plan documents, the provisions of the official plan documents, as interpreted at the sole and absolute discretion of the plan administrator, shall control. The actual benefits provided, as well as eligibility requirements, are determined by the official plan documents.

The General Manager, as Appointing Authority, shall have unilateral authority to interpret and implement the provisions contained herein. The General Manager may develop and issue procedures, consistent with the Handbook, to facilitate implementation. A copy of this Handbook shall be made available to all employees.

All employees shall receive and agree to abide by the provisions of this Handbook and are responsible for reviewing and understanding the contents herein. Employees shall sign and return an "Acknowledgement of Receipt of Employee Handbook" form confirming receipt and understanding of the Handbook.

No one other than authorized management may alter or modify any of the policies in this Employee Handbook. No statement or promise by a supervisor or designee is to be interpreted as a change in policy, nor will it constitute an agreement with an employee.

Should any provision in this Employee Handbook be found to be unenforceable, invalid, or void, such a finding shall only invalidate the portion of the Handbook that is found to be unenforceable and the remainder of the Handbook shall remain in full force and effect. Nothing in this Handbook is intended to infringe upon employee rights under applicable federal and state law.

We ask that employees read this Handbook carefully, become familiar with the District and our policies, and refer to it whenever questions arise.

AMENDMENT PROCEDURE

This Handbook may be amended and changed from time to time as conditions require and as deemed appropriate by the Board of Director of the District. Subject to the requirements of the law, the District reserves the right to add to, delete from, or modify this plan either on an individual or organization-wide basis with or without notice.

Hi all,

I am interpreting David's request to mean "how do we do this simply and effectively?"

My question is can we just put the minimum benefits required by law (since that was a prior board decision) into a one page document that can be easily shared and adjusted and at the same time add the Personnel section back into the Admin code.

My bigger question is about the admin code - does it have to be gone by ordinance, or simply resolution as it was done in the past?

K

Karen Macedonio
Change Consultant
760-338-3231

On Jul 27, 2021, at 8:47 AM, David <daranda300@gmail.com> wrote:

[Quoted text hidden]

Alexander Lemieux <ALemieux@omlowlaw.com>

To: Karen Macedonio <directormacedonio@ekhcd.org>, David <daranda300@gmail.com>
Cc: East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>

Wed, Jul 28, 2021 at 4:46 PM

Dear Pres. Macedonio and David,

First, the District's Administrative Code was adopted by resolution and can be amended by resolution. Usually, the requirement to go through the Ordinance process (first and second readings and other procedural requirements) involves using the police power in some way. I advise avoiding Ordinances because the procedures are much more cumbersome.

Regarding the possible Employee Handbook, I spent some time discussing this with our employment law specialist, Chuong Nguyen.

There are three documents that might pertain to personnel – the Admin Code, the employment contract, and the possible Employee Handbook. The Admin Code has a "Personnel" section that talks about the Board (page 6) and a separate "other officers" that talks about the GM (Page 19). The previous employment contract with Tiffany was also very short and basic. The District has never had any (for example) disciplinary or grievance proceedings since either party can terminate without cause on 30 days' notice. Everything has been fairly informal. I asked Chuong specifically: (1) Is there anything obviously missing from the Admin Code or the Employment Contract? (2) Considering we can incorporate additional terms to the Admin Code or Employment Contract, is there any value in creating some kind of brief, streamlined written handbook?

His view is the form GM contract we had with Tiffany is okay to use for Linda. If anything, the policies would be in an Employee Handbook and/or the Admin Code. Whether in the Admin Code, Handbook, or elsewhere, the District will need an anti-harassment policy. Having a discipline policy isn't necessary if everyone's at-will and the at-will status is memorialized. My understanding is that we're ok in that regard, plus there's a "Discipline" section in the Admin Code, which basically states as much.

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One relevant factor is the amount of employees because there are certain laws that even apply to small workplaces (e.g., state leave laws that apply to employers 5 or more employees). If there is any intent on expanding the number of employee, there would also be some value in having the District's at-will, EEO, and anti-discrimination/harassment policies spelled out in a written handbook for additional protection. For what it's worth, I know in Foothill MWD they've had an employee handbook, despite only having around 5-7 employees.

In sum, Chuong advises that a brief Handbook is not overkill, but probably not absolutely necessary if we're only going to have two employees and the Admin Code can be updated. He thought drafting a handbook should not take very long at all for a consultant with expertise. I don't have any particular issues with the model from SS that David suggested.

Let me know if that answers your questions.

Alex Lemieux

OLIVAREZ MADRUGA LEMIEUX O'NEILL, LLP

500 S GRAND AVE, FLOOR 12, LOS ANGELES, CA 90071

TEL: 213.213.9835 • FAX: 213.744.0093

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 **Revised.AdminCode.9.23.19 FINAL.docx**
94K

David <daranda300@gmail.com>

Thu, Jul 29, 2021 at 8:37 AM

To: Alexander Lemieux <ALemieux@omlola.com>, Karen Macedonio <directormacedonio@ekhcd.org>

Cc: East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>

Alex and Karen: As you state Alex the Stallion handbook does already have the required wording for harassment policy and other legal issues. I think that having two or more employees it is imperative that we have a handbook. Also I am not sure where it is but Linda's contract never came back to the office signed. This should be finalized ASAP. Thanks David.

[Quoted text hidden]

David <daranda300@gmail.com>

Fri, Jul 30, 2021 at 6:50 AM

To: East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>

Good Morning Linda: I would like for you to put this memo in the board packet agenda item personal that we already have please. Also in regard to the Agenda item on leases please put only the policy attachment that Minter field provided. Please send me the completed board packet before you send it out to the directors. Thanks David.

From: Alexander Lemieux [mailto:ALemieux@omlola.com]

Sent: Wednesday, July 28, 2021 4:47 PM

To: Karen Macedonio <directormacedonio@ekhcd.org>; David <daranda300@gmail.com>

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[Quoted text hidden]

 **Revised.AdminCode.9.23.19 FINAL.docx**

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East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>

Employee handbook

7 messages

David <daranda300@gmail.com>

Mon, Jul 26, 2021 at 11:39 AM

To: Alexander Lemieux <ALemieux@omlowlaw.com>

Cc: Karen Macedonio <directormacedonio@ekhcd.org>, East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>

Alex: If you have looked at some correspondence from me (I sent an electronic copy of Stallions employee handbook) and Karen (asking you for direction) you will note the need for you to respond to what we are hoping to develop and talk about at the board meeting next Tuesday. I really need your input ASAP in order to know what I am supposed to do in a timely manner. David.

Alexander Lemieux <ALemieux@omlowlaw.com>

Mon, Jul 26, 2021 at 7:06 PM

To: David <daranda300@gmail.com>

Cc: Karen Macedonio <directormacedonio@ekhcd.org>, East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>

David, thank you for summarizing your question. I am checking with our employment law specialists to confirm whether there is any legal requirement for the District to create an employee handbook. I am expecting a response shortly.

Alex Lemieux

OLIVAREZ MADRUGA LEMIEUX O'NEILL, LLP

500 S GRAND AVE, FLOOR 12, LOS ANGELES, CA 90071

TEL: 213.213.9835 • FAX: 213.744.0093

[Quoted text hidden]

David <daranda300@gmail.com>

Tue, Jul 27, 2021 at 8:47 AM

To: Alexander Lemieux <ALemieux@omlowlaw.com>

Cc: Karen Macedonio <directormacedonio@ekhcd.org>, East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>

Alex: I am not asking if there is a legal requirement to have an employee handbook I am strongly encouraging that the District put something in place for employees and directors to know exactly what is expected of employees and what the district provides and expects to its employees. In Stallion our Administrative Code referenced the employee manual and the manual was written by HR law and approved by the Board but the reason a separate manual was written is because our administrative code is approved via Ordinance which takes a great deal of work to change whereas the employee manual as it needed changes based on public law code or based on changes of policy by the board it was easy to approve and change at a board meeting. I just want to know what direction we are going to take so that we can provide good direction and information to EKHCD employees and protect the district from HR liability. Thanks David.

[Quoted text hidden]

Karen Macedonio <directormacedonio@ekhcd.org>

Tue, Jul 27, 2021 at 10:33 AM

To: David <daranda300@gmail.com>

Cc: Alexander Lemieux <ALemieux@omlowlaw.com>, East Kern Health Care District <eastkernhealthcaredistrict@gmail.com>

Subject: Discussion and Direction regarding Investments and LAIF and approval of an updated Resolution 2021-01-04.

Submitted by: David Aranda, BHI Consultant

Meeting Date: August 3, 2021

Background: The District needs to move money, \$200,000 from Bank of Sierra into LAIF in order to start drawing some interest. Based on that need I wish to point out the following:

1. The Resolution 2021-01-04 needs to be updated to reflect the current Board members. LAIF already has the updated list.
2. The Resolution allows the Board officers to move money into/out of LAIF.
3. Attached are pages from the Administrative Code regarding investments and banking. I am not recommending any changes, but wanted all board members to be familiar with the code as we attempt to start following the code.
4. I have attached excerpts from a CSDA publication in regard to reserve Guidelines and a copy of Stallion Springs Reserve guideline policy in order for the Board to adopt reserve guidelines that protect the District's financial reserves.

Recommendation: Approve the updated Resolution 2021-01-04 and move \$200,000 into LAIF.

Provide direction if the Board wants BHI Consultant, David Aranda to draft a Reserve Policy for EKHCD.



**RESOLUTION NO. 2021-01-04 UPDATED
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
EAST KERN HEALTH CARE DISTRICT AUTHORIZING
INVESTMENT OF MONIES IN THE LOCAL AGENCY
INVESTMENT FUND
LAIF ACCOUNT# 20-15-002**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE EAST KERN HEALTH CARE DISTRICT as follows:

- 1. WHEREAS,** The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and
- 2. WHEREAS,** THE Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the District.
- 3. NOW THEREFORE, BE IT RESOLVED,** that the Board of Directors hereby authorizes the deposit and withdrawal of District monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.
- 4. BE IT FURTHER RESOLVED,** as follows:
Section 1. The following District officers holding the title(s) specified herein below or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Richard Macedonio
Secretary/Treasurer

Karen Macedonio
Board President

LaMiya Patrick
Vice President

Signed

Signed

Signed



Lois Peralta
Director

Rubi Foley
Director

Signed

Signed

Section 2. This resolution shall remain in full force and effect until rescinded by Board of Directors by resolution and a copy of the resolution rescinding is filed with the State Treasurer's Office.

PASSED AND ADOPTED by the Board of Directors of the East Kern Health Care District this 3rd day of August, 2021.

AYES:

NOES:

ABSENT:

Karen Macedonio, President

LaMiya Patrick, Vice President

(SEAL)



California State Treasurer's Office
Local Agency Investment Fund (LAIF)

Authorization for Transfer of Funds

Effective Date
05/04/2021

Agency Name
East Kern Health Care District

LAIF Account #
20-15-002

Agency's LAIF Resolution # 2021-01-04 or Resolution Date _____

ONLY the following individuals whose names appear in the table below are hereby authorized to order the deposit or withdrawal of funds in LAIF. This authorization REPLACES AND SUPERSEDES all prior authorizations on file with LAIF for the transfer of funds.

Name	Title
Karen Macedonio	President
Richard Macedonio	Secretary
LaMiya Patrick	Vice President
Rubi Foley	Director
Lois Peralta	Director

Two authorized signatures required. Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

Karen L. Macedonio
 Signature
 Karen Macedonio
 Print Name
 Board President
 Title
 213-445-5875
 Telephone

Richard P. Macedonio
 Signature
 Richard Macedonio
 Print Name
 Board Secretary
 Title
 213-447-9912
 Telephone

Please provide email address to receive LAIF notifications.

Name	Email
Linda Cook, Consultant for EKHCD	eastkernhealthcaredistrict@gmail.com
Karen Macedonio, President	directormacedonio@ekhcd.org

Please email a scanned copy for review to laif@treasurer.ca.gov.
 After approval is received, mail the original form to: State Treasurer's Office
 Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001

Sent 5/17/21

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Chapter 4. Investments

3-4.001 GENERAL

The General Manager may deposit monies only as set forth in this Chapter. Investments shall be approved by the Board in accordance with the Government Code.

3-4.002 BASIC POLICY AND STATEMENT OF OBJECTIVES

In order of importance, the following criteria shall be followed in the investment program:

- (a) Safety - Investments shall be made in a manner which ensures the preservation of principal and accrued interest. Diversification in types of investments is required to meet this goal.
- (b) Return on Investment - Investments shall be made to produce an acceptable rate of return after first considering safety and liquidity.
- (c) Liquidity - Investments shall be made whose maturity date is compatible with cash flow requirements to permit rapid conversion into cash without a substantial loss of value.

3-4.003 PRUDENT PERSON

Investments shall be made as if by a prudent person using the same discretion and intelligence a person would use in managing personal affairs and certainly not for speculation.

3-4.004 PERMITTED INVESTMENT

- (a) The Finance Committee may invest monies not required for expenditure during the terms of the investment without first securing further Board approval if the investment is one of the following types:
 - (1) Local Agency Investment Fund of the State of California (LAIF).
 - (2) Time certificates of deposits issued by a nationally or state chartered bank or a state or federal association located within the State of California if fully secured by federal insurance or approved collateral at the required percentage of market value.
 - (3) United States treasury notes, bonds, bills, or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for payment of principal and interest.
- (b) The Finance Committee may invest monies not required for expenditure during the term of the investment only after securing further Board approval if the investment is one of the following types:
 - (1) Bonds issued by the District.
 - (2) Registered state warrants or treasury notes or bonds of the State of California or by a department board, agency or authority of the State.
 - (3) Bonds, notes, warrants for other evidences of indebtedness of any local agency within this state.

- (4) Obligations issued by banks or cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participation or other instruments of or issued by or fully guaranteed as to principal and interest by the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participation or other instruments of, or issued by a federal agency, or a United States Government sponsored enterprise.
 - (5) Repurchase agreements for securities.
 - (6) Time certificates of deposit issued by a nationally or state-chartered bank or a state or federal association located outside of the State of California if secured by federal insurance.
- (c) No investment shall be purchased:
- (1) On margin;
 - (2) "Forward" or "in the future";
 - (3) Based on foreign currency; or
 - (4) Which are shares of beneficial interest issued by diversified management companies as described in Government Code Section 53601(I).
- (d) No investment shall be made with a maturity date greater than five years from the date of purchase unless specifically authorized by the Board or as a part of a program no less than three months prior to the date of purchase.

3-4.005 INVESTMENT PROCEDURE

- (a) In making investments the District shall observe the limitations contained in Government Code, including Section 53601, and stated herein.
- (b) The Finance Committee is responsible for selecting the proper mix of investments taking into account limits imposed by law and the need for liquidity. When deposits or investments owned by the District mature or when other monies are available for investment or deposit, the monies may be deposited or invested in the Local Agency Investment Fund or other permitted investments.
- (c) Investments shall be held in the name of the District. Investment documents shall be held for safekeeping in the District vault or in a depository approved by the Board. The Board shall execute such documents necessary to provide evidence of the Treasurer's trading authority as set forth herein.

3-4.006 REPORTS

- (a) The General Manager shall present quarterly reports on investments to the Board. The report shall show: the type of investment, how title is held, institution, date of maturity, amount of deposit, current market value for all securities with a maturity of more than 12 months, rate of interest, the relationship of each investment to this investment policy, information showing that expenditure requirements can be met in the following quarter and specify investments made pursuant to Government Code Section 53601(i), 53601.1 and 53635(i).

- (b) The finance committee shall review investments held by the District on or about January 1 and July 1 of each year and shall make a report and recommendation to the Board concerning implementation or changes in this policy after each such review.
- (c) This investment policy shall be reviewed annually or more often, as necessary.

Chapter 5. Savings Deposit and Checking Accounts

3-5.001 DEPOSITS

- (a) The District shall establish one or more deposit accounts with State or national banks or savings associations upon such terms and conditions as may be agreed upon. The President and Treasurer shall establish such accounts in the name of the District for general fund and bond interest and redemption fund expenditures.
- (b) Upon maturity, investments shall be deposited into the District's checking or savings accounts on the approval of one of the following officers: Assistant Secretary-Treasurer, President or Treasurer.

3-5.002 SAFE DEPOSIT BOXES

The General Manager may obtain safe deposit boxes at State or national banks or savings associations for use of the District. Two of the following must agree for access: General Manager and a Director.

3-5.003 PETTY CASH ACCOUNT

The President and Treasurer shall create and the District shall maintain an imprest fund, known as the petty cash account, in the amount of \$100.00 Disbursements shall be accompanied by paid receipts. The General Manager shall report to the Board on disbursements from the petty cash account.

3-5.004 REVOLVING ACCOUNT

The President and Treasurer shall create and the District shall maintain an imprest fund, known as the "revolving account," in the amount to be established by the board from time to time. The account may be used to make emergency expenditures. Withdrawals from the revolving account shall be made upon the signature of a Director and the General Manager without prior Board approval. The General Manager shall report to the Board on disbursements from the revolving account.

3-5.005 ACCOUNTING PRACTICES

- (a) The District shall maintain books of account in accordance with generally accepted accounting practices as promulgated by governmental accounting standards board showing the status of monies received and disbursed.
- (b) Funds and accounts shall be maintained as necessary to accomplish this purpose, as follows:
 - (1) General (may be used for any lawful purpose):
 - (i) Petty cash;
 - (ii) Revolving; and
 - (iii) Other.

- (2) Special (may be used only for specified purposes):
 - (i) Bond proceeds (construction);
 - (ii) Tax proceeds (bond interest and redemption);
 - (iii) Tax proceeds.

3-5.006 CHECK REGISTER

- (a) A check register showing the check number, payee, amount, the fund upon which it is drawn and the purpose of each check, shall be prepared by the General Manager, and presented to Directors at regular board meetings. Invoices and other supporting documents will be available with the checks at the meetings for inspection by any Director. Checks will be disbursed after approval by the Board.
- (b) Checks to pay utility bills, postage, emergencies and invoices subject to discount and inter-fund transfers may be disbursed prior to Board approval if such amounts are included in the budget approved by the Board. Such items shall be set forth on a supplemental check register or included on the next regular check register and presented to the Board dependent on timing of actual check delivery.
- (c) Checks drawn to pay demands which have been approved by the Board shall be signed by the Treasurer and the General Manager or a director, other than the Treasurer.

3-5.007 OTHER

- (a) Transactions described herein, including opening or closing checking accounts, shall be accomplished by the designated officer in the name of the District. Action by the Board is required for each transaction unless otherwise indicated above. Withdrawals shall be supported by receipts indicating the purpose of the withdrawal, the amount and the employee responsible for the withdrawal.
- (b) An officer may receive non-negotiable instruments on behalf of the District, but such instruments shall be forthwith remitted to the Treasurer or the General Manager for handling.



Introduction

Reserves are the foundation of the sustainable delivery of core services.

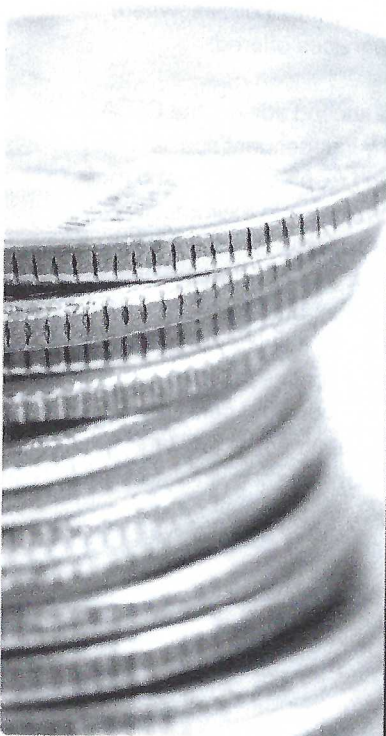
Importance of Maintaining a Reserve

Reserves are the foundation of the sustainable delivery of core services. Through prudent reserves, special districts offer taxpayers and ratepayers significant benefits including:

1. Savings to balance budgets
2. Emergency preparedness
3. Stable rates
4. Well-maintained infrastructure
5. Investment in the future

The fundamental question in maintaining a reserve is, how much is enough? In other words, when are reserves too low and when are they too high? These can be delicate questions because unwarranted reserves could undermine taxpayer and ratepayer support, while insufficient reserves could jeopardize the district's long-term sustainability.

There is also the question of where reserve funds should be spent. Pressure to expend reserves on making current services cheaper, rather than planning for the future, is all too frequent. Adopting a reserve policy will assist your agency in answering these fundamental questions.



Reasons for Adopting a Reserve Policy

In addition to the over-arching taxpayer and ratepayer benefits of reserves noted earlier, there are many specific reasons for a special district to adopt reserve policies:

Shared Vision:

A formally adopted policy promulgates a shared understanding of the proper level and use of reserves, which facilitates healthy working relationships.

Objectivity:

Revenue decisions represent some of the most controversial and difficult choices that governing boards must face. Utilizing reserve policies reduces political gamesmanship and promotes responsible long-term planning.

Fiscal Justification:

Inevitably, public agencies will face scrutiny over whether to raise or reduce rates, taxes or fees. Having reserve policies in place prior to such occasions serves as a valuable tool for both making and explaining difficult decisions.

Public Awareness:

Keeping the public informed about what you do is a fundamental responsibility for any public agency. They are the boss, after all, and all of us understand from personal experience that our jobs are a lot easier and a lot less stressful when the boss knows about and approves of what you are doing. Adopting a policy can help the district better communicate to the public the motives for adopting a reserve, as well as convey the reasons for maintaining the reserve at a certain level.



Important questions about reserves

The fundamental question in maintaining a reserve is, how much is enough? In other words, when are reserves too low and when are they too high? These can be delicate questions because unwarranted reserves could undermine taxpayer and ratepayer support, while insufficient reserves could jeopardize the district's long-term sustainability.

STALLION SPRINGS COMMUNITY SERVICES DISTRICT

Resolution No. 2002-25

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE STALLION SPRINGS COMMUNITY SERVICES
DISTRICT DESIGNATING ACCOUNTS AS RESERVE
ACCOUNTS PURSUANT TO ARTICLE XIII B, SECTION
5 OF THE CALIFORNIA CONSTITUTION**

WHEREAS, the Board of Directors of this District wish to insure the financial and operational integrity of the district, the Stallion Springs Community Services District has established an account entitled the Capital Improvement Account to provide contingency, emergency and reserve funds of which funds may be expended for specified purposes including improvement, expansion, replacement or repair of district facilities and to supplement the District's fiscal requirements in years of inadequate funding:

WHEREAS, the Board of Directors of this District has established within the account entitled the Capital Improvement Account a breakdown of each department in which monies can be separated by department:

WHEREAS, by vote of the people of the State of California, on November 6, 1979, Article XIII B was added to the California Constitution. Section 5 of said Constitutional Amendment provides for establishment of contingency, emergency, unemployment reserve, retirement, sinking fund, trust or similar funds as deemed reasonable and proper.

WHEREAS, it is in the best interests of the District and its landowners that the foregoing account be maintained which accounts or funds are reasonable and proper.

NOW THEREFORE BE IT RESOLVED BY THIS BOARD AS FOLLOWS;

1. The Stallion Springs Community Services District considers a reserve policy for the District to be a critical part of the overall mission statement. The Stallion Springs C.S.D. mission statement is as follows: "The mission of Stallion Springs C.S.D. is to provide the highest quality of services as designated by law to the community. The services shall be provided in an efficient, economical and reliable manner. The Stallion Springs Board, Management and Staff are committed to promoting a safe, courteous and positive attitude in accomplishing our mission".

2. The Stallion Springs C.S.D. is an independent special district with many areas of responsibilities to the community of Stallion Springs. The District maintains separate accounts for various areas of responsibilities. Separate accounts would involve expenses and revenues and reserves. The District, each year presents, and operates a balanced budget for each fiscal year. The District's philosophy over the years has been to avoid borrowing money if at all possible and pay for services rendered from existing funds.

3. Each year the General Manager prepares a budget for the upcoming fiscal year. The budget is broken down by each department and reflects in the budget revenues and expenses. The budget would also reflect projected monies set aside for reserves or projected shortfalls that may call for reserves. The budget is reviewed by the finance committee and approved by the Stallion Springs Board of Directors. Each year after the close of the proceeding fiscal year the General Manager presents to the finance committee and the Stallion Springs Board of Directors a report that addresses the actual revenue and expenses for each department. A recommendation is presented by the General Manager to the Stallion Springs Board of Directors in regard to money available by department for reserves and money needed from reserves to make up a shortfall by a department. At a monthly meeting of the Stallion Springs Board of Directors (at which the public is invited) the Board will vote and provide direction in regard to the General Managers recommendation for funds to be placed in the Capital Improvement Reserve Account by department and the need, when a yearly operating deficit occurs, to withdraw funds from the Capital Improvement Account by department.

4. The Stallion Springs Community Services District sees a need for a reserve fund account, entitled the Capital Improvement Account, for the following reasons:

A. Capital Improvements and other capital needs. The Stallion Springs C.S.D. realizes that the District must look at infrastructure, vehicles, equipment, etc. and maintain, replace and upgrade such items in order to run the operations of the District properly.

B. Rate stabilization funds. From time to time the District would be in need of reserve money to make up a shortfall in the existing years operation for a specific department. The General Manager would present the request to the Board of Directors at a Board Meeting. The request would note the money needed to be taken from reserves, the reason for the shortfall and the solution so that the shortfall would not be ongoing. The Board would be asked to approve withdrawing funds from the specific departments Capital Reserve Account and place that money in the operations of the department to make up for the shortfall.

C. Emergency needs. From time to time emergencies arise. These emergencies may be natural disasters, a breakdown in equipment or a large break in the infrastructure. These emergencies require funds to address and care for the problem. A reserve fund is necessary to care for these needs. The department requiring the emergency need would consider the money necessary to care for the emergency. The General Manager would request to the Board of Directors at a Board Meeting (the public is always welcome) money to be withdrawn from the specific departments reserve fund to handle the emergency. Should there not be enough funds in the specific department to handle the emergency the General Manager would request that funds be borrowed from another departments reserve fund within the District with a time frame to pay back the various departments reserve fund noted in writing.

D. The General Manager will from time to time bring to the Boards attention the need for funds to properly replace or repair capital items. The Board of Directors may elect to utilize reserve funds to fund capital improvements as opposed to borrowing funds.

E. Reserves may be used to pay off Debt Service. The District attempts to not incur a debt in both its operations and capital needs but should a debt occur reserves may be necessary to assist in paying off the debt. The decision in this regard will be based on a recommendation by the General Manager and approval from the Board of Directors at a Board of Directors Meeting. Please note that there are instances where borrowing money may be less "expensive" than using the reserve funds.

F. Contingency Reserve. This would be money necessary for unusual cash flow requirements, unforeseen operating expenses, such as new regulatory requirements, revenue shortfalls and economic uncertainties, such as downturns in the economy.

5. The investing of Stallion Springs Community Services District Reserves. The Board of Directors has directed that monies designated for the Capital Reserve Fund be placed in Kern County Account 50390. The Kern County Fiscal Committee is responsible for the investment of such funds. The Board of Directors of Stallion Springs is informed from time to time by the county regarding the financial return on the district reserve monies.

6. The Stallion Springs Board of Directors and Staff realize that the District is fiscally responsible to the property owners and residence of Stallion Springs. A reserve account for the proper operation of Stallion Springs is necessary. The Board of Directors will always do everything within its power to keep an open dialogue with the community in regard to the need for reserves, where reserve funds are needed and the reason for expending reserve funds.

PASSED, APPROVED AND ADOPTED this 17th day of December, 2002 by the following roll call vote:


AYES: Director Voelker, Director Mueller, Director Keller, Director Patrick, Chair Craft

NOES:

ABSENT:

ABSTAIN:

Signed:


Tom Craft, President
Board of Directors

Attest:


David Aranda, Secretary
Board of Directors

ACTION ITEM

- Subject: Attending Virtual Workshop: Financial Management for Special Districts.
- Submitted by: David Aranda, BHI Consultant
- Requested by: Karen Macedonio, Board President
- Meeting Date: August 3, 2021
- Background: Board President, Karen Macedonio thought that some directors may wish to attend the virtual workshop as noted below. The budget would allow directors to attend.
- Recommendation: Determine who is interested in attending so that those directors can begin registering ASAP.

Virtual Workshop: Financial Management for Special Districts

Presenters:

Paula Hansen, Southgate Recreation and Park District
Justin Williams, Mann, Urrutia, Nelson CPAs & Associates, LLP
David Becker, James Marta and Co.
Rick Wood, California Special Districts Association

Money, money, money...it's on everyone's mind and on your job description. Make sure you understand the full scope of financial information affecting special districts today. From budgeting and internal controls to long term planning and capital improvement plans. Attendees will get the information they need to begin to assess the overall financial health of their district and steps needed to make positive changes.

DATES:

8/9/21 9:00 a.m. - 12:00 p.m. each day
8/10/21 9:00 a.m. - 12:00 p.m. each day

\$100 SDRMA Member
\$175 CSDA Member