



**DESERT HEALTHCARE DISTRICT
BOARD MEETING
Board of Directors
November 26, 2019
5:30 P.M.**

Regional Access Project Foundation
Conference Room 103
41-550 Eclectic Street
Palm Desert, CA 92260

This meeting is handicapped-accessible

Director Shorr – Telephonic – Renaissance New York Times Hotel Lobby – Two at, 714 7th Avenue, W 48th Street, New York, NY

Page(s)	AGENDA	Item Type
	<i>Any item on the agenda may result in Board Action</i>	
	A. CALL TO ORDER – President Zendle, MD Roll Call ____ Director Shorr ____ Director Borja ____ Director PerezGil ____ Director Rogers, RN ____ Director Matthews ____ Vice-President/Secretary De Lara ____ President Zendle	
	B. PLEDGE OF ALLEGIANCE	
1-3	C. APPROVAL OF AGENDA	Action
	D. PUBLIC COMMENT At this time, comments from the audience may be made on items <u>not</u> listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. The Board has a policy of limiting speakers to no more than three minutes. The Board cannot take action on items not listed on the agenda. Public input may be offered on agenda items when they come up for discussion and/or action.	
	E. CONSENT AGENDA All Consent Agenda item(s) listed below are considered routine by the Board of Directors and will be enacted by one motion. <u>There will be no separate discussion of items unless a Board member so requests, in which event the item(s) will be considered following approval of the Consent Agenda.</u>	Action
4-17	1. BOARD MINUTES a. Board of Directors Meeting – October 22, 2019	
18-42	2. FINANCE AND ADMINISTRATION a. Approval of October 2019 Financial Statements – F&A Approved November 12, 2019	
43-64	b. Las Palmas Medical Plaza Lease – Suite 2W 107 – Corey King, N.D. & William Grimm, Jr., D.O.	



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- | | | |
|---------------|---|---------------|
| | G. DESERT HEALTHCARE DISTRICT CEO REPORT | |
| | – Conrado E. Bárzaga, MD | |
| 65-66 | 1. Eastern Coachella Valley Airborne Environmental Hazards – Congressman Raul Ruiz | Information |
| | 2. Consideration to approve the Community Health Needs Assessment External Reviewers Stipends up to \$1,500 per person (\$4,500) | Action |
| | 3. Board Workshop with Martin Rauch, President, Rauch Communications – January 2020 | Information |
| | 4. Consideration to approve a Board and Staff Holiday Dinner – NTE \$1,800 | Action |
| | H. DESERT REGIONAL MEDICAL CENTER CEO REPORT | Information |
| | – Michele Finney, CEO | |
| | I. DESERT REGIONAL MEDICAL CENTER GOVERNING BOARD OF DIRECTORS’ REPORT – | Information |
| | President Les Zendle, MD and Director Carole Rogers, RN | |
| | J. 1. FINANCE, LEGAL ADMINISTRATION AND REAL ESTATE COMMITTEE – Chair/Treasurer Mark Matthews, Vice-President Leticia De Lara, and Director Arthur Shorr | |
| 67-69 | 1. Meeting Minutes – November 12, 2019 | Information |
| 70-81 | 2. Consideration to approve Political Consultant Strategies 360 Service Agreement for Potential Hospital Lease/ Transaction – NTE \$69k | Action |
| | 2. PROGRAM COMMITTEE – Chair/Director Carole Rogers, RN; Director Evett PerezGil; and Director Leticia De Lara | |
| 82-84 | 1. Meeting Minutes – November 12, 2019 | Information |
| 85-91 | 2. Progress and Final Reports | Information |
| 92-97 | 3. Letters of Interest and Pending Applications | Information |
| 98-122 | 4. Consideration to approve Grant #1021 Neuro Vitality Center – Community Based Adult Services (CBAS) | Action |



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Program – \$143,787

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|----------------|---|---------------|
| 123-132 | K. OLD BUSINESS
1. Consideration to approve Resolution No. 19-09 – Resolution of the Desert Healthcare District Board of Directors to Approve the October 22, 2019, Board approved Cholla 2 Map | Action |
| 133-182 | 2. Consideration to approve the Cal Fresh Healthy Living Program Agreement #20-004 - \$330,000 | Action |
| 183-186 | 3. CV Link Q3 Progress Report | Information |

L. NEW BUSINESS

M. LEGAL COMMENTS & REPORT

N. DIRECTORS' COMMENTS, REPORTS, INFORMATIONAL ITEMS, & STAFF DIRECTION AND GUIDANCE

O. ADJOURNMENT

If you have any disability which would require accommodation to enable you to participate in this meeting, please email Andrea S. Hayles, Special Assistant to the CEO and Board Relations Officer, at ahayles@dhcd.org or call (760) 323-6110 at least 24 hours prior to the meeting.



**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
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Directors Present	District Staff Present	Absent
President Les Zendle, MD Vice-President/Secretary Leticia De Lara Treasurer Mark Matthews Director Carole Rogers Director Evett PerezGil Director Karen Borja Director Arthur Shorr	Conrado E. Bázquez, MD, CEO Chris Christensen, CAO Donna Craig, Chief Program Officer Will Dean, Marketing and Communications Director Alejandro Espinoza, Program Officer and Outreach Director Meghan Kane, Community Health Analyst Andrea S. Hayles, Clerk of the Board <u>Legal Counsel</u> Jeff Scott	

AGENDA ITEMS	DISCUSSION	ACTION
A. Call to Order Roll Call	President Zendle called the meeting to order at 5:32 p.m. The Clerk of the Board called the roll with all Directors present except Director Matthews.	
B. Pledge of Allegiance	Director Borja led the pledge of allegiance.	
C. Approval of Agenda	President Zendle pulled item J.1.2. from the agenda and asked for approval of the agenda with the change. Director Matthews joined the meeting at 5:37 p.m.	#20-27 MOTION WAS MADE by Vice-President De Lara and seconded by Director Shorr to approve the agenda with the change. Motion passed unanimously. AYES – 7 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, Director Borja, and Director Shorr NOES – 0 ABSENT – 0
D. Public Comment	Numerous individuals of the Thermal area provided public comment on the mulch fire describing the toxic waste from the recycling plant, unhealthy air	



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	<p>quality, health, social and emotional concerns of students, re-evaluating CV Link to improve the quality of life for the residents of the Coachella Valley and working collectively with the District to resolve the problems.</p> <p>Public speakers included Gina Chapa, Indio resident; Carissa Carrera, President, Coachella Valley Teachers Association; Margie Avina, Teacher, Coachella Valley Unified School District; Yolanda Corona, Board member, Coachella Valley Unified School District; Anna Nevenic, Activist, United Children’s Network; Lorraine Salas, Teacher, Coachella Valley Unified School District; Bea Gonzalez, Coordinator of Expanded Learning After School Programs, Coachella Valley Unified School District; Karina Vega, Crisis Intervention Counselor, Coachella Valley Unified School District; and Blanca Hall, Board member, Coachella Valley Unified School District.</p> <p>President Zendle thanked those that provided public comment and explained that Dr. Bàrzaga will present additional details related to the remarks further in the meeting.</p>	
<p>E. Consent Agenda</p> <p>1. Board Minutes</p> <p>a. Board of Directors Meeting – September 24, 2019</p> <p>b. Board of Directors Meeting Closed Session –</p>	<p>President Zendle described the consent agenda items and asked for a motion to approve.</p>	<p>#20-28 MOTION WAS MADE by Director Mathews and seconded by Vice-President De Lara to approve the consent agenda. Motion passed unanimously. AYES – 7 President Zendle, Vice-President De Lara, Director Mathews, Director Rogers, Director PerezGil, Director Borja, and Director Shorr</p>

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<p align="center">September 24, 2019</p> <p>2. Finance and Administration</p> <p>a. Approval of September 2019 Financial Statements– F&A Approved October 8, 2019</p> <p>b. Las Palmas Lease Renewal – Suite 3E 104-105 – Laboratory Corporation of America</p> <p>c. Las Palmas Medical Plaza Fire Sprinkler Alarm Proposal</p> <p>d. Auditing Firms – Request for Proposal</p>		<p>NOES – 0 ABSENT – 0</p>
<p>F. Public Hearing</p> <p>1. Expansion and Rezoning Background</p> <p>2. Zone Mapping Process for the New District Boundaries – 7 zones – Justin Levitt, Vice President, National Demographics Corporation</p>	<p>Doug Johnson, President, National Demographic Corporation, detailed the rezoning timeline of the District, districting criteria, federal laws, traditional criteria, and shaping the District with the proposed maps.</p> <p>Director Rogers explained her prior concern of keeping communities together and did not note any changes on the Agave map. Mr. Johnson explained that the only changes were in Indio.</p> <p>Linda Evans, Mayor, La Quinta, explained that the Agave 2 map represents La Quinta and keeps the communities together.</p>	



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	<p>Sergio Carranza, Executive Director, Pueblo Unido, Cathedral City resident, thanked the Board for keeping Cathedral City together, and stated that the Board should promote the maps in the media for more community awareness.</p> <p>Dieter Crawford, Desert Highland Gateway Estates resident, supports the Cholla 2 map to keep the majority-minority communities together, as well as Palm Springs and the minority areas of Cathedral City that would provide the best representation.</p> <p>Joslyn Vargas, Thermal resident, supports the Agave 2 map in the eastern valley.</p> <p>Director Borja explained that she prefers to keep Indio together supporting the Cholla 2 map, further explaining that the voter representation in the east versus the population size in Thermal, Mecca, Oasis, and North Shore totals approximately 17,000 people, but the voter turnout rates are lower than the actual population.</p> <p>Vice-President De Lara thanked the staff and NDC for providing updated maps based on last month's comments. Recognizing the issues that Director Borja described, Vice-President De Lara, explained that she supports two representatives in Indio to reduce those disenfranchised and bring more opportunity to the area with</p>	
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	<p>a tremendous need, supporting the Agave 2 map.</p> <p>Director PerezGil favors the Cholla 2 map, which keeps Cathedral City together.</p> <p>President Zendle asked the Board to vote for either the Agave 2 map or the Cholla 2 map.</p> <p>Director Shorr voted for the Agave 2 map; Director Borja voted for the Cholla 2 map; Director PerezGil voted for the Cholla 2 map; Director Rogers voted for the Cholla 2 map; Director Matthews voted for the Cholla 2 map; Vice President De Lara and President Zendle voted for the Agave 2 maps.</p>	<p>#20-29 MOTION WAS MADE by Director Shorr and seconded by Director PerezGil to approve the Cholla 2 map. Motion passed unanimously. AYES – 7 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, Director Borja, and Director Shorr</p> <p>NOES – 0</p> <p>ABSENT – 0</p>
<p>G. Desert Healthcare District CEO Report</p> <ol style="list-style-type: none"> 1. Consideration to appoint CEO to External Advisory Board (EAB) of the Center of Health Disparities Research – University of California, Riverside – National Institutes of Health (NIH) \$16M grant-funding from the Research Center in Minority Institutions (RCMI) 2. AB 1184 – Public records: writing transmitted by electronic mail: retention 3. Association of California Healthcare Districts (ACHD) Certification 	<p>Conrado E. Barzaga, MD, CEO, explained that he is building a culture of excellence and professionalism while promoting transparency and accountability for the District, ensuring that leadership is not questionable in the community. Staff is working on awarding grants through the competitive request for proposals and promoting an evidence-based approach in response to the needs of the community as presented later in the meeting, such as the community health needs assessment and east valley funding announcement. Staff is working with various agencies on a strong outreach and engagement plan in the community. Staff is also pursuing the Association of California Healthcare Districts</p>	



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	<p>(ACHD) certification with a completion date of March 2020. The inclusion of the certification includes the Local Area Formation Commission (LAFCO) municipal services review. A timeline from LAFCO has not been established, and Chris Christensen, CAO, is the point of contact.</p> <p>Dr. Bázaga explained the invitation from UCR School of Medicine to join the External Advisory Board of the Center of Health Disparities Research related to a \$16M grant award.</p> <p>At last month’s Board meeting, EVALCORP provided a presentation on Behavioral Health Needs Assessment highlighting the coordinated effort in the Coachella Valley and the work ahead. The District has allocated \$2M to the Foundation for the Behavioral Health Initiative, and Dr. Bázaga inquired on direction concerning the assessment and whether the District should have an active or supportive role to ensure the efforts continue moving forward with coordination to evaluate different alternatives.</p> <p>Dr. Bázaga explained that staff continues to address the CV Link project, meeting with the Coachella Valley Association of Governments (CVAG) staff and requested that CVAG follow the District’s grant-making policy. Staff forwarded a link to the application, which CVAG has declined to complete. No application has been submitted to</p>	
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	<p>date with the study session scheduled on November 7.</p> <p>AB 1184 that would have required the District to keep all communications and electronic files for a minimum of 2 years was vetoed by Governor Newsom.</p> <p>Lastly, Dr. Bárzaga inquired on the direction to proceed with engagement related to the residents of the Thermal area based on public comments.</p> <p>President Zendle asked for a motion to approve the appointment of Dr. Bárzaga to the External Advisory Board of the Center of Health Disparities Research.</p> <p>Dr. Barzaga provided clarity on his request for direction to continue with the Behavioral Health Needs Assessment: whether the District should have an active or supportive role in the coordinated efforts of the Behavioral Health Initiative, continue the assessment, and provide a recommendation.</p> <p>Director Rogers explained that two years ago the Board approved the Behavioral Health Initiative with a job description for a consultant and a needs assessment. At Supervisor Perez’s most recent Green Ribbon Committee, EVALCORP provided ideas for the path forward, and Director Rogers would like to see the District move forward as a leader, including with a point person.</p>	<p>#20-29 MOTION WAS MADE by Director Mathews and seconded by Director Rogers to approve appointment of the CEO to the External Advisory Board (EAB) of the Center of Health Disparities Research.</p> <p>Motion passed unanimously.</p> <p>AYES – 7 President Zendle, Vice-President De Lara, Director Mathews, Director Rogers, Director PerezGil, Director Borja, and Director Shorr</p> <p>NOES – 0</p> <p>ABSENT – 0</p>
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	<p>Vice-President De Lara agreed with Director Rogers, explaining that a strong leadership role is necessary. While the District appreciates and thanks Supervisor Perez for his work in behavioral health, his office cannot succeed without an equal partnership and for the District to understand its success by including additional partners. The District should be proactive with bold steps, such as identifying funding to allow key decision-making on accomplishments and ensure there are resources and accountability of the District for reaching goals.</p> <p>Direct Matthews reminded the Board this is part of some of its important work with long-term consequences, and in the past if a large entity wanted to contribute funds to the District, the District has a record of transparency with grants that also brings the community together, and the behavioral health issues will require lots of funding.</p> <p>President Zendle directed staff to bring forward at the next board meeting a proposal and budget with a behavioral health coordinator from the District to work with various agencies, such as the Green Ribbon Committee, and EVALCORP.</p> <p>Vice-President De Lara explained that when the District annexed the area the Board recognized the many issues in the east that are larger than anticipated and cannot</p>	
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	<p>be changed overnight, and the District is a leader on health issues and should identify resources and the District's role, while working with the community on priorities and how the District can support and improve the air quality.</p> <p>Director Borja explained that as the District engages, she would like to see a conversation on not simply closing the recycling plant, but actual cleanup of the plant, including understanding the responsible parties, cleanup costs, and other data and action.</p> <p>Director Rogers supports the comments explaining the frustration with the new boundaries that were extended without any additional funding from the county or the state. Residents in the east valley pay the same tax rate as the residents in the west valley, but do not receive the same services and the District could take a leadership role in identifying the problems, such as using funding from the \$1M pulmonary trust for respiratory issues to conduct a study with the participation of other organizations.</p> <p>President Zendle explained that there are several agencies involved in the Thermal area, and the District has a role in dealing with health issues, requesting that staff examine ways the District and Foundation can participate in addressing the problems and bring forth a proposal for action. The</p>	
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	<p>pulmonary fund is a good resource to start. The District can highlight the health issues, explaining that data is necessary to examine the concerns as mentioned by Director Borja.</p>	
<p>H. Desert Regional Medical Center CEO Report</p>	<p>Michele Finney, CEO, Desert Care Network, Desert Regional Medical Center, explained that Desert Regional Medical Center participated in the county's active drill for mass casualties. New physicians are on board to support the trauma service, including a new open-heart surgeon, a new surgical spine surgeon, a vascular surgeon, and a pain management specialist. Desert Regional Medical Center is celebrating mammography month with extended hours to encourage women and men to obtain exams, and a new 3D mammography unit has been purchased. Hospital improvements consist of the pharmacy remodel and upgrade to state codes; a two-year project for sterile processing replacement is underway. The ER Department expansion and remodel is advancing, and Mrs. Finney thanked the community for its patience. The nursing call system is being replaced; the hospital hosted community education classes throughout the month and participated in a variety of sponsorships. Desert Care Network is assisting the children in the ER Department at JFK with respiratory issues and deployed 40,000 masks to affected areas in Thermal, encouraging the Board to assist in the east even with small matters.</p>	



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<p>I. Desert Regional Medical Center Governing Board of Directors Report</p>	<p>President Zendle described the details of the most recent Governing Board meeting that included a new board member, review of the open and closed cases with the California Department of Public Health (CDPH), comprehensive stroke accreditation, Desert Regional Medical Center’s (DRMC) participation in the mass casualty drill, and an overview of the American College of Surgeons certification concerning designating DRMC as level two trauma center. The flu has been reported in the valley; due to the Paradise fire, a bill passed to allow free-standing emergency departments, and the governor vetoed a bill that would allow the use of marijuana in hospitals for treatment of terminally ill patients.</p>	
<p>J. 1. Finance, Legal, Administration, and Real Estate Committee a. Meeting Minutes – October 8, 2019 b. Political Consultants for Potential Hospital Lease/Transaction c. Policy Map – 15-month subscription - \$5,005.54</p>	<p>Director Matthews explained the F&A Committee items as approved in the consent agenda, and the meeting minutes that are available for review.</p> <p>Item J. was pulled from the agenda.</p> <p>Director Matthews described the Policy Map for data purposes and moved for approval. Vice-President De Lara explained that the map is not expensive, but collaboration is necessary, such as working with Lift to Rise and other organizations investing in data to ensure that the District is not duplicating efforts.</p>	<p>#20-30 MOTION WAS MADE by Director Rogers and seconded by Director Shorr to approve Policy Map – 15-month subscription - \$5,005.54. Motion passed unanimously. AYES – 7 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers,</p>



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<p>d. Consideration to approve Grant #1023 Coachella Valley Rescue Mission (CVRM) – Transportation for Seniors and Homeless Hospital Discharge Referrals - \$216,200</p>	<p>for the residents of Oasis Mobile Home Park. Director Rogers requested that staff reassess the Oasis Mobile Home Park application.</p> <p>Donna Craig, Chief Program Officer, explained the details of the Coachella Valley Rescue Mission (CVRM) grant to purchase 3 new vans to transport clients (seniors and homeless patients) to follow up medical appointments, including staff costs for the transportation of the clients.</p>	<p>#20-32 MOTION WAS MADE by Director Rogers and seconded by Director De Lara to approve Grant #1023 Coachella Valley Rescue Mission Transportation for Seniors and Homeless Hospital Discharge Referrals. Motion passed unanimously. AYES – 7 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, Director Borja, and Director Shorr NOES – 0</p>
<p>4. Strategic Planning Committee a. Meeting Minutes – September 23, 2019 b. Meeting Minutes – October 17, 2019</p>	<p>President Zendle explained the minutes of the meeting and the introduced Meghan Kane, Community Health Analyst.</p>	
<p>c. Community Health Needs Assessment RFP – NTE \$300,000</p>	<p>Meghan Kane, Community Health Analyst, provided a presentation on the Community Health Needs Assessment that included the reasons for the assessment, goals, nine-step goal tool kit, a description of phases one and two, and the timeline.</p> <p>Vice-President De Lara suggested a collective impact model to ensure methodology since there are not enough resources to commence steps one through five, while recognizing that the District should take the lead in some matters and</p>	<p>#20-33 MOTION WAS MADE by Director Zendle and seconded by Director Rogers to approve the Community Health Needs Assessment RFP – NTE \$300,000 Motion passed unanimously. AYES – 7 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, Director Borja, and Director Shorr NOES – 0</p>



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	as supporters on other matters. Community input is important but using the structure to communicate back accountability should be robust. The District’s current resources should not limit our efforts, and it is necessary for the District to examine its resources for funding opportunities.	
K. Old Business	There was no old business.	
L. New Business	There was no new business.	
M. Legal Comments & Reports	Jeff Scott, legal counsel, explained AB 1184 – Public records: writing transmitted by electronic mail: retention, which would have required districts to keep records for 2 years, was vetoed by Governor Newsom.	
N. Directors’ Comments, Reports, Informational Items, & Staff Direction and Guidance		
O. Adjournment	President Zendle adjourned the meeting at 7:38 p.m.	Audio recording available on the website at http://dhcd.org/Agendas-and-Documents

ATTEST: _____
 Leticia De Lara, Vice-President/Secretary
 Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board

DESERT HEALTHCARE DISTRICT
OCTOBER 2019 FINANCIAL STATEMENTS
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DESERT HEALTHCARE DISTRICT
YEAR TO DATE VARIANCE ANALYSIS
ACTUAL VS BUDGET
FOUR MONTHS ENDED OCTOBER 31, 2019

Scope: \$25,000 Variance per Statement of Operations Summary

Account	YTD		Over(Under)	Explanation
	Actual	Budget	Budget	
4000 - Income	\$ 2,821,442	\$ 2,744,256	\$ 77,186	Interest income (net) from FRF investments \$91k; lower NEOPB Grant Income \$14k
5000 - Direct Expenses	\$ 227,183	\$ 356,652	\$ (129,469)	Lower wage expense \$98k due to no COO salary; lower health insurance related expenses \$26k; lower various 5.5k
6500 - Professional Fees Expense	\$ 351,601	\$ 394,992	\$ (43,391)	Lower Professional Services 21k; lower PR & Communications 19k; lower Legal 3.5k
7000 - Grants Expense	\$ 540,493	\$ 1,200,168	\$ (659,675)	Budget of \$3.5 Million for fiscal year is amortized straight-line over 12-month fiscal year.

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July through October 2019

	MONTH			TOTAL		
	Oct 19	Budget	\$ Over Budget	Jul - Oct 19	Budget	\$ Over Budget
Income						
4000 · Income	702,257	686,064	16,193	2,821,442	2,744,256	77,186
4500 · LPMP Income	99,908	101,950	(2,042)	397,266	406,250	(8,984)
4501 · Miscellaneous Income	750	950	(200)	3,000	3,800	(800)
Total Income	802,915	788,964	13,951	3,221,708	3,154,306	67,402
Expense						
5000 · Direct Expenses	70,751	89,292	(18,541)	227,183	356,652	(129,469)
6000 · General & Administrative Exp	52,690	43,081	9,609	167,607	172,326	(4,719)
6325 · CEO Discretionary Fund	-	417	(417)	-	1,668	(1,668)
6445 · LPMP Expenses	80,016	82,398	(2,382)	314,907	329,592	(14,685)
6500 · Professional Fees Expense	38,335	98,748	(60,413)	351,601	394,992	(43,391)
6700 · Trust Expenses	18,053	11,245	6,808	49,421	44,980	4,441
Total Expense Before Grants	259,845	325,181	(65,336)	1,110,723	1,300,196	(189,473)
7000 · Grants Expense	221,547	300,042	(78,495)	540,493	1,200,168	(659,675)
Net Income	321,523	163,741	157,782	1,570,495	653,936	916,556

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July through October 2019

	MONTH			TOTAL		
	Oct 19	Budget	\$ Over Budget	Jul - Oct 19	Budget	\$ Over Budget
Income						
4000 · Income						
4010 · Property Tax Revenues	561,355	561,355	-	2,245,420	2,245,420	-
4200 · Interest Income						
4220 · Interest Income (FRF)	66,093	106,250	(40,157)	398,459	425,000	(26,541)
9999-1 · Unrealized gain(loss) on invest	67,665	8,333	59,332	151,444	33,332	118,112
Total 4200 · Interest Income	133,758	114,583	19,175	549,903	458,332	91,571
4300 · DHC Recoveries						
4305 · Patient Related Collections	49	-	49	49	-	49
4350 · Rental - Airways	1,749	1,750	(1)	6,996	7,000	(4)
Total 4300 · DHC Recoveries	1,798	1,750	48	7,045	7,000	45
4400 · Grant Income	5,347	8,375	(3,028)	19,075	33,500	(14,425)
Total 4000 · Income	702,258	686,063	16,195	2,821,443	2,744,252	77,191
4500 · LPMP Income	99,908	101,950	(2,042)	397,266	406,250	(8,984)
4501 · Miscellaneous Income	750	950	(200)	3,000	3,800	(800)
Total Income	802,916	788,963	13,953	3,221,709	3,154,302	67,407
Expense						
5000 · Direct Expenses						
5100 · Administration Expense						
5110 · Wages Expense	68,792	82,846	(14,054)	232,965	331,384	(98,419)
5111 · Allocation to LPMP - Payroll	(5,085)	(5,084)	(1)	(20,340)	(20,336)	(4)
5112 · Vacation/Sick/Holiday Expense	3,682	7,500	(3,818)	23,270	30,000	(6,730)
5114 · Allocation to Foundation	(25,473)	(25,473)	-	(101,892)	(101,892)	-
5115 · Allocation to NEOPB	(4,770)	(7,289)	2,519	(17,095)	(29,156)	12,061
5119 · Allocation to RSS/CVHIP-DHCF	(2,161)	(2,382)	221	(7,002)	(9,528)	2,526
5120 · Payroll Tax Expense	5,316	6,338	(1,022)	20,167	25,352	(5,185)
5130 · Health Insurance Expense						
5131 · Premiums Expense	14,055	12,213	1,842	39,153	48,852	(9,699)
5135 · Reimb./Co-Payments Expense	1,056	2,250	(1,194)	4,816	9,000	(4,184)
Total 5130 · Health Insurance Expense	15,111	14,463	648	43,969	57,852	(13,883)
5140 · Workers Comp. Expense	619	1,042	(423)	3,440	3,652	(212)
5145 · Retirement Plan Expense	4,994	4,212	782	15,237	16,848	(1,611)
5160 · Education Expense	1,301	625	676	9,372	2,500	6,872
Total 5100 · Administration Expense	62,326	76,798	(14,472)	202,091	306,676	(104,585)
5200 · Board Expenses						
5210 · Healthcare Benefits Expense	2,793	5,834	(3,041)	11,156	23,336	(12,180)
5230 · Meeting Expense	1,703	1,667	36	5,316	6,668	(1,352)

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July through October 2019

	MONTH			TOTAL		
	Oct 19	Budget	\$ Over Budget	Jul - Oct 19	Budget	\$ Over Budget
5235 · Director Stipend Expense	2,600	4,200	(1,600)	6,100	16,800	(10,700)
5240 · Catering Expense	649	583	66	1,770	2,332	(562)
5250 · Mileage Reimbursement Expense	680	208	472	746	832	(86)
Total 5200 · Board Expenses	8,425	12,492	(4,067)	25,088	49,968	(24,880)
Total 5000 · Direct Expenses	70,751	89,290	(18,539)	227,179	356,644	(129,465)
6000 · General & Administrative Exp						
6110 · Payroll fees Expense	299	208	91	778	832	(54)
6120 · Bank and Investment Fees Exp	9,527	9,833	(306)	37,616	39,332	(1,716)
6125 · Depreciation Expense	986	1,250	(264)	3,944	5,000	(1,056)
6126 · Depreciation-Solar Parking lot	15,072	15,072	-	60,288	60,288	-
6130 · Dues and Membership Expense	15,896	2,500	13,396	19,563	10,000	9,563
6200 · Insurance Expense	1,953	1,500	453	7,212	6,000	1,212
6300 · Minor Equipment Expense	-	42	(42)	-	168	(168)
6305 · Auto Allowance & Mileage Exp	462	600	(138)	462	2,400	(1,938)
6306 · Staff- Auto Mileage reimb	-	500	(500)	266	2,000	(1,734)
6309 · Personnel Expense	-	83	(83)	6,000	332	5,668
6310 · Miscellaneous Expense	-	42	(42)	53	168	(115)
6311 · Cell Phone Expense	579	776	(197)	2,008	3,104	(1,096)
6312 · Wellness Park Expenses	-	83	(83)	-	332	(332)
6315 · Security Monitoring Expense	108	42	66	216	168	48
6340 · Postage Expense	278	417	(139)	556	1,668	(1,112)
6350 · Copier Rental/Fees Expense	394	458	(64)	1,182	1,832	(650)
6351 · Travel Expense	1,536	917	619	4,517	3,668	849
6352 · Meals & Entertainment Exp	728	583	145	2,141	2,332	(191)
6355 · Computer Services Expense	1,264	3,775	(2,511)	5,947	15,100	(9,153)
6360 · Supplies Expense	2,908	1,667	1,241	12,052	6,668	5,384
6380 · LAFCO Assessment Expense	153	1,667	(1,514)	612	6,668	(6,056)
6400 · East Valley Office						
6405 · East Valley Office - Rent	550	650	(100)	2,200	2,600	(400)
6410 · East Valley Office - Utilities	-	417	(417)	-	1,668	(1,668)
Total 6400 · East Valley Office	550	1,067	(517)	2,200	4,268	(2,068)
Total 6000 · General & Administrative Exp	52,693	43,082	9,611	167,613	172,328	(4,715)
6325 · CEO Discretionary Fund		417	(417)		1,668	(1,668)
6445 · LPMP Expenses	80,017	82,395	(2,378)	314,910	329,580	(14,670)
6500 · Professional Fees Expense						
6516 · Professional Services Expense	5,125	70,000	(64,875)	259,347	280,000	(20,653)
6520 · Annual Audit Fee Expense	1,563	1,540	23	6,252	6,160	92
6530 · PR/Communications/Website	894	7,208	(6,314)	9,459	28,832	(19,373)

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July through October 2019

	MONTH			TOTAL		
	Oct 19	Budget	\$ Over Budget	Jul - Oct 19	Budget	\$ Over Budget
6560 · Legal Expense	30,753	20,000	10,753	76,546	80,000	(3,454)
Total 6500 · Professional Fees Expense	38,335	98,748	(60,413)	351,604	394,992	(43,388)
6700 · Trust Expenses						
6711 · Disability Admin. Fee Expense	-	537	(537)	-	2,148	(2,148)
6720 · Pension Plans Expense						
6721 · Legal Expense	-	167	(167)	-	668	(668)
6725 · RPP Pension Expense	10,000	10,000	-	40,000	40,000	-
6728 · Pension Audit Fee Expense	8,053	542	7,511	9,421	2,168	7,253
Total 6720 · Pension Plans Expense	18,053	10,709	7,344	49,421	42,836	6,585
Total 6700 · Trust Expenses	18,053	11,246	6,807	49,421	44,984	4,437
Total Expense Before Grants	259,845	325,178	(65,333)	1,110,723	1,300,196	(189,473)
7000 · Grants Expense						
7010 · Major Grant Awards Expense	216,200	291,667	(75,467)	521,418	1,166,668	(645,250)
7027 · Grant Exp - NEOPB	5,347	8,375	(3,028)	19,075	33,500	(14,425)
Total 7000 · Grants Expense	221,547	300,042	(78,495)	540,493	1,200,168	(659,675)
Net Income	321,523	163,741	157,782	1,570,495	653,936	916,559

Las Palms Medical Plaza
Cumulative Profit & Loss Budget vs. Actual
 July through October 2019

	MONTH			TOTAL		
	Oct 19	Budget	\$ Over Budget	Jul - Oct 19	Budget	\$ Over Budget
Income						
4500 · LPMP Income						
4505 · Rental Income	71,894	73,250	(1,356)	285,859	291,950	(6,091)
4510 · CAM Income	28,014	28,700	(686)	111,407	114,200	(2,793)
4513 · Misc. Income	-	-	-	-	100	(100)
Total 4500 · LPMP Income	99,908	101,950	(2,042)	397,266	406,250	(8,984)
Expense						
6445 · LPMP Expenses						
6420 · Insurance Expense	1,879	1,083	796	7,516	4,332	3,184
6425 · Building - Depreciation Expense	21,484	21,667	(183)	85,936	86,668	(732)
6426 · Tenant Improvements -Dep Exp	15,914	17,083	(1,169)	63,656	68,332	(4,676)
6427 · HVAC Maintenance Expense	115	1,333	(1,218)	4,014	5,332	(1,318)
6428 · Roof Repairs Expense	-	208	(208)	-	832	(832)
6431 · Building -Interior Expense	-	833	(833)	1,600	3,332	(1,732)
6432 · Plumbing -Interior Expense	1,670	333	1,337	1,670	1,332	338
6433 · Plumbing -Exterior Expense	-	208	(208)	-	832	(832)
6434 · Allocation Internal Prop. Mgmt	5,085	5,084	1	20,340	20,336	4
6435 · Bank Charges	1,269	1,042	227	4,508	4,168	340
6437 · Utilities -Vacant Units Expense	67	208	(141)	146	832	(686)
6439 · Deferred Maintenance Repairs Ex	-	500	(500)	-	2,000	(2,000)
6440 · Professional Fees Expense	10,117	10,472	(355)	46,733	41,888	4,845
6441 · Legal Expense	-	83	(83)	-	332	(332)
6458 · Elevators - R & M Expense	228	1,000	(772)	3,547	4,000	(453)
6460 · Exterminating Service Expense	-	417	(417)	360	1,668	(1,308)
6463 · Landscaping Expense	4,987	833	4,154	4,987	3,332	1,655
6467 · Lighting Expense	-	833	(833)	-	3,332	(3,332)
6468 · General Maintenance Expense	-	83	(83)	-	332	(332)
6471 · Marketing-Advertising	-	1,417	(1,417)	-	5,668	(5,668)
6475 · Property Taxes Expense	6,000	6,008	(8)	24,000	24,032	(32)
6476 · Signage Expense	215	125	90	215	500	(285)
6480 · Rubbish Removal Medical Waste E	1,480	1,442	38	4,447	5,768	(1,321)
6481 · Rubbish Removal Expense	2,227	2,250	(23)	8,908	9,000	(92)
6482 · Utilities/Electricity/Exterior	539	625	(86)	1,628	2,500	(872)
6484 · Utilities - Water (Exterior)	451	708	(257)	2,152	2,832	(680)
6485 · Security Expenses	6,290	6,417	(127)	27,047	25,668	1,379
6490 · Miscellaneous Expense	-	100	(100)	1,500	400	1,100
Total 6445 · LPMP Expenses	80,017	82,395	(2,378)	314,910	329,580	(14,670)
Net Income	19,891	19,555	336	82,356	76,670	5,686

Desert Healthcare District
Balance Sheet
As of October 31, 2019

			Oct 31, 19
ASSETS			
Current Assets			
Checking/Savings			
	1000 · CHECKING CASH ACCOUNTS		1,896,724
	1100 · INVESTMENT ACCOUNTS		56,973,237
	Total Checking/Savings		58,869,961
	Accounts Receivable		92,158
Other Current Assets			
	1270 · Prepaid Insurance -Ongoing		31,806
	1279 · Pre-Paid Fees		21,312
	1281 · NEOPB Receivable		25,077
	1295 · Property Tax Receivable		2,032,888
	Total Other Current Assets		2,111,082
	Total Current Assets		61,073,201
Fixed Assets			
	1300 · FIXED ASSETS		4,907,713
	1335-00 · ACC DEPR		(1,882,081)
	1400 · LPMP Assets		7,086,991
	Total Fixed Assets		10,112,623
Other Assets			
	1700 · OTHER ASSETS		2,867,136
TOTAL ASSETS			74,052,960
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
	2000 · Accounts Payable		88,324
	2001 · LPMP Accounts Payable		18,458
	Total Accounts Payable		106,782
Other Current Liabilities			
	2002 · LPMP Property Taxes		24,000
	2110 · Direct Deposit Liabilities		(23,850)
	2131 · Grant Awards Payable		6,342,328

Desert Healthcare District
Balance Sheet
As of October 31, 2019

		Oct 31, 19
	2133 · Accrued Accounts Payable	129,550
	2141 · Accrued Vacation Time	30,111
	2145 · Payroll Liability	(11,676)
	2188 · Current Portion - LTD	9,869
	2190 · Investment Fees Payable	6,786
	Total Other Current Liabilities	6,507,117
	Total Current Liabilities	6,613,898
	Long Term Liabilities	
	2170 · RPP - Pension Liability	3,435,623
	2171 · RPP-Deferred Inflows-Resources	1,643,743
	2280 · Long-Term Disability	40,626
	2281 · Grants Payable - Long-term	5,400,000
	2286 · Retirement BOD Medical Liabilit	84,122
	2290 · LPMP Security Deposits	57,098
	Total Long Term Liabilities	10,661,211
	Total Liabilities	17,275,110
	Equity	
	3900 · *Retained Earnings	55,207,356
	Net Income	1,570,495
	Total Equity	56,777,851
	TOTAL LIABILITIES & EQUITY	74,052,960

Desert Healthcare District
Balance Sheet
As of October 31, 2019

			Oct 31, 19
ASSETS			
Current Assets			
Checking/Savings			
1000 · CHECKING CASH ACCOUNTS			
		1010 · Union Bank - Checking	1,611,951
		1046 · Las Palmas Medical Plaza	284,273
		1047 · Petty Cash	500
Total 1000 · CHECKING CASH ACCOUNTS			1,896,724
1100 · INVESTMENT ACCOUNTS			
		1130 · Facility Replacement Fund	56,576,108
		1135 · Unrealized Gain(Loss) FRF	397,129
Total 1100 · INVESTMENT ACCOUNTS			56,973,237
Total Checking/Savings			58,869,961
Accounts Receivable			
1201 · Accounts Receivable			
		1204 · LPMP Accounts Receivable	(18,298)
		1205 · Misc. Accounts Receivable	3,000
		1211 · A-R Foundation - Exp Allocation	107,456
Total 1201 · Accounts Receivable			92,158
Other Current Assets			
		1270 · Prepaid Insurance -Ongoing	31,806
		1279 · Pre-Paid Fees	21,312
		1281 · NEOPB Receivable	25,077
		1295 · Property Tax Receivable	2,032,888
Total Other Current Assets			2,111,082
Total Current Assets			61,073,201
Fixed Assets			
1300 · FIXED ASSETS			
		1310 · Computer Equipment	88,582
		1315 · Computer Software	68,770
		1320 · Furniture and Fixtures	33,254
		1325 · Offsite Improvements	300,849
		1331 · DRMC - Parking lot	4,416,257

Desert Healthcare District
Balance Sheet
As of October 31, 2019

		Oct 31, 19
Total 1300 · FIXED ASSETS		4,907,713
1335-00 · ACC DEPR		
	1335 · Accumulated Depreciation	(206,425)
	1336 · Acc. Software Depreciation	(68,770)
	1337 · Accum Deprec- Solar Parking Lot	(1,477,227)
	1338 · Accum Deprec - LPMP Parking Lot	(129,659)
Total 1335-00 · ACC DEPR		(1,882,081)
1400 · LPMP Assets		
	1401 · Building	8,705,680
	1402 · Land	2,165,300
	1403 · Tenant Improvements -New	2,193,683
	1404 · Tenant Improvements - CIP	129,550
	1406 · Building Improvements	
	1406.1 · LPMP-Replace Parking Lot	676,484
	1406 · Building Improvements - Other	1,559,534
Total 1406 · Building Improvements		2,236,018
	1407 · Building Equipment Improvements	364,891
	1409 · Accumulated Depreciation	
	1410 · Accum. Depreciation	(7,251,573)
	1412 · T I Accumulated Dep.-New	(1,456,558)
Total 1409 · Accumulated Depreciation		(8,708,131)
Total 1400 · LPMP Assets		7,086,991
Total Fixed Assets		10,112,623
Other Assets		
1700 · OTHER ASSETS		
	1731 · Wellness Park	1,693,800
	1740 · RPP-Deferred Outflows-Resources	1,159,189
	1741 · OPEB-Deferrred Outflows-Resourc	14,147
Total 1700 · OTHER ASSETS		2,867,136
TOTAL ASSETS		74,052,960
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		

Desert Healthcare District
Balance Sheet
As of October 31, 2019

			Oct 31, 19
	Accounts Payable		
		2000 · Accounts Payable	88,324
		2001 · LPMP Accounts Payable	18,458
	Total Accounts Payable		106,782
	Other Current Liabilities		
		2002 · LPMP Property Taxes	24,000
		2110 · Direct Deposit Liabilities	(23,850)
		2131 · Grant Awards Payable	6,342,328
		2133 · Accrued Accounts Payable	129,550
		2141 · Accrued Vacation Time	30,111
		2145 · Payroll Liability	(11,676)
		2188 · Current Portion - LTD	9,869
		2190 · Investment Fees Payable	6,786
	Total Other Current Liabilities		6,507,117
	Total Current Liabilities		6,613,898
	Long Term Liabilities		
		2170 · RPP - Pension Liability	3,435,623
		2171 · RPP-Deferred Inflows-Resources	1,643,743
		2280 · Long-Term Disability	40,626
		2281 · Grants Payable - Long-term	5,400,000
		2286 · Retirement BOD Medical Liabilit	84,122
		2290 · LPMP Security Deposits	57,098
	Total Long Term Liabilities		10,661,211
	Total Liabilities		17,275,110
	Equity		
		3900 · *Retained Earnings	55,207,356
		Net Income	1,570,495
	Total Equity		56,777,851
	TOTAL LIABILITIES & EQUITY		74,052,960

Desert Healthcare District
A/R Aging Summary
As of October 31, 2019

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	
Desert Healthcare Foundation-	27,634	(1,811)	28,385	27,247	26,002	107,456	Due from Foundation
Desert Oasis Healthcare Medical Group	-	(2,130)	-	-	-	(2,130)	Prepaid
EyeCare Services Partners Management LLC	-	(6,159)	-	-	-	(6,159)	Prepaid
Laboratory Corporation of America	-	(4,774)	-	-	-	(4,774)	Prepaid
Sovereign	750	-	750	750	750	3,000	Slow Pay
Steven Gundry, M.D.	-	(5,235)	-	-	-	(5,235)	Prepaid
TOTAL	28,384	(20,110)	29,135	27,997	26,752	92,158	

Desert Healthcare District
Deposit Detail
October 2019

Type	Date	Name	Amount
Deposit	10/01/2019		247
		Principal Financial Group	(247)
TOTAL			(247)
Deposit	10/02/2019		1,749
		T-Mobile	(1,749)
TOTAL			(1,749)
Deposit	10/18/2019		20
		Rogers, Carole - ACHD Meal Reimb	(20)
TOTAL			(20)
Deposit	10/29/2019		158,895
		Riverside County Treasurer-	(158,895)
TOTAL			(158,895)
Deposit	10/30/2019		49
		California Business Bureau, Inc.	(49)
TOTAL			(49)
		TOTAL	160,960

DESERT HEALTHCARE DISTRICT
PROPERTY TAX RECEIPTS FY 2019 - 2020
RECEIPTS - TWELVE MONTHS ENDED JUNE 30, 2020

	FY 2018-2019 Projected/Actual					FY 2019-2020 Projected/Actual				
	Budget %	Budget \$	Act %	Actual Receipts	Variance	Budget %	Budget \$	Act %	Actual Receipts	Variance
July	2.5%	\$ 165,105	1.3%	\$ 87,106	\$ (77,998)	2.5%	\$ 168,407	0.0%	\$ -	\$ (168,407)
Aug	1.6%	\$ 105,667	1.3%	\$ 88,674	\$ (16,993)	1.6%	\$ 107,780	3.1%	\$ 207,292	\$ 99,512
Sep	2.6%	\$ 171,709	2.4%	\$ 155,626	\$ (16,083)	2.6%	\$ 175,143	0.0%	\$ -	\$ (175,143)
Oct	0.0%	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	2.4%	\$ 158,895	\$ 158,895
Nov	0.4%	\$ 26,417	0.0%	\$ -	\$ (26,417)	0.4%	\$ 26,945	0.0%		
Dec	16.9%	\$ 1,116,106	17.8%	\$ 1,177,161	\$ 61,054	16.9%	\$ 1,138,429	0.0%		
Jan	31.9%	\$ 2,106,733	19.7%	\$ 1,299,278	\$ (807,456)	31.9%	\$ 2,148,868	0.0%		
Feb	0.0%	\$ -	13.9%	\$ 918,846	\$ 918,846	0.0%	\$ -	0.0%		
Mar	0.3%	\$ 19,813	0.7%	\$ 44,532	\$ 24,719	0.3%	\$ 20,209	0.0%		
Apr	5.5%	\$ 363,230	5.9%	\$ 392,745	\$ 29,515	5.5%	\$ 370,495	0.0%		
May	19.9%	\$ 1,314,232	20.3%	\$ 1,341,271	\$ 27,039	19.9%	\$ 1,340,517	0.0%		
June	18.4%	\$ 1,215,169	22.3%	\$ 1,470,000	\$ 254,830	18.4%	\$ 1,239,473	0.0%		
Total	100%	\$ 6,604,180	105.6%	\$ 6,975,238	\$ 371,058	100.00%	\$ 6,736,264	5.4%	\$ 366,187	\$ (85,142)

Las Palmas Medical Plaza
Deposit Detail - LPMP
October 2019

Type	Date	Name	Amount
Deposit	10/01/2019		11,832
Payment	10/01/2019	Cohen Musch Thomas Medical Group	(3,543)
Payment	10/01/2019	EyeCare Services Partners Management LLC	(6,159)
Payment	10/01/2019	Desert Oasis Healthcare Medical Group	(2,130)
TOTAL			(11,832)
Deposit	10/01/2019		3,854
Payment	10/01/2019	Quest Diagnostics Incorporated	(3,854)
TOTAL			(3,854)
Deposit	10/04/2019		24,233
Payment	10/04/2019	Derakhsh Fozouni, M.D.	(5,841)
Payment	10/04/2019	Palmtree Clinical Research	(6,217)
Payment	10/04/2019	Ramy Awad, M.D.	(3,180)
Payment	10/04/2019	Aijaz Hashmi, M.D., Inc.	(2,745)
Payment	10/04/2019	Brad A. Wolfson, M.D.	(3,354)
Payment	10/04/2019	Cure Cardiovascular Consultants	(2,898)
TOTAL			(24,233)
Deposit	10/07/2019		5,250
Payment	10/07/2019	Pathway Pharmaceuticals, Inc.	(2,249)
Payment	10/07/2019	Peter Jamieson, M.D.	(3,001)
TOTAL			(5,250)
Deposit	10/15/2019		44,730
Payment	10/15/2019	Desert Family Medical Center	(3,493)
Payment	10/15/2019	Desert Regional Medical Center	(4,903)
Payment	10/15/2019	Tenet HealthSystem Desert, Inc.	(28,052)
Payment	10/15/2019	Tenet HealthSystem Desert, Inc	(5,543)

**Las Palmas Medical Plaza
Deposit Detail - LPMP
October 2019**

Type	Date	Name	Amount
Payment	10/15/2019	Dennis Spurgin, D.C.	(2,739)
TOTAL			(44,730)
Deposit	10/23/2019		4,774
Payment	10/23/2019	Laboratory Corporation of America	(4,774)
TOTAL			(4,774)
Deposit	10/30/2019		13,524
Payment	10/30/2019	EyeCare Services Partners Management LLC	(6,159)
Payment	10/30/2019	Steven Gundry, M.D.	(5,235)
Payment	10/30/2019	Desert Oasis Healthcare Medical Group	(2,130)
TOTAL			(13,524)
		TOTAL	108,197

Desert Healthcare District
Check Register
As of October 31, 2019

Type	Date	Num	Name	Amount
1000 · CHECKING CASH ACCOUNTS				
1010 · Union Bank - Checking				
Liability Check	10/03/2019		QuickBooks Payroll Service	(35,160)
Bill Pmt -Check	10/03/2019	15654	Arthur Shorr - Sept 2019 Stipend	(500)
Bill Pmt -Check	10/03/2019	15655	Boyd & Associates	(108)
Bill Pmt -Check	10/03/2019	15656	Chris Christensen	(48)
Bill Pmt -Check	10/03/2019	15657	Conrado Barzaga.	(342)
Bill Pmt -Check	10/03/2019	15658	Donna Den Bleyker.	(602)
Bill Pmt -Check	10/03/2019	15659	Graphtek Interactive	(300)
Bill Pmt -Check	10/03/2019	15660	Image Source	(658)
Bill Pmt -Check	10/03/2019	15661	INPRO-EMS Construction	(432)
Bill Pmt -Check	10/03/2019	15662	Leticia De Lara - Sept 2019 Stipend	(400)
Bill Pmt -Check	10/03/2019	15663	Ready Refresh	(48)
Bill Pmt -Check	10/03/2019	15664	So.Cal Computer Shop	(810)
Bill Pmt -Check	10/03/2019	15665	Top Shop	(276)
Bill Pmt -Check	10/03/2019	15666	Underground Service Alert of Southern Cal	(3)
Bill Pmt -Check	10/03/2019	15667	Vanessa Smith-	(508)
Bill Pmt -Check	10/03/2019	15668	Verizon Wireless	(694)
General Journal	10/04/2019	04-01	401a payment - 10/04/19 payroll	(1,727)
General Journal	10/04/2019	04-01	457b payment - 10/04/19 payroll	(2,529)
Check	10/06/2019	Auto Pay	Calif. Public Employees'Retirement System	(14,356)
General Journal	10/08/2019	04-02	October 2019 LTD Payment - Jena Marie Van Earl	(1,234)
Bill Pmt -Check	10/08/2019	15669	First Bankcard (Union Bank)	(2,901)
Bill Pmt -Check	10/08/2019	15670	First Bankcard (Union Bank)	(1,427)
Bill Pmt -Check	10/08/2019	15671	Desert Healthcare Foundation	(200,000)
Bill Pmt -Check	10/08/2019	15672	Evelt PerezGil - Sept 2019 Stipend	(200)
Bill Pmt -Check	10/08/2019	15673	Jewish Family Service of the Desert	(40,500)
Bill Pmt -Check	10/08/2019	15674	Law Offices of Scott & Jackson	(19,778)
Bill Pmt -Check	10/08/2019	15675	Mangus Accountancy Group, A.P.C.	(500)
Bill Pmt -Check	10/08/2019	15676	Staples Credit Plan	(753)
Bill Pmt -Check	10/08/2019	15677	State Compensation Insurance Fund	(619)
Bill Pmt -Check	10/08/2019	15678	Time Warner Cable	(242)
Bill Pmt -Check	10/08/2019	15679	Will Dean	(194)
Bill Pmt -Check	10/08/2019	15680	Xerox Financial Services	(394)
Liability Check	10/17/2019		QuickBooks Payroll Service	(35,058)

Desert Healthcare District
Check Register
As of October 31, 2019

Type	Date	Num	Name	Amount
Bill Pmt -Check	10/17/2019	15681	California Special Districts Association	(7,615)
Bill Pmt -Check	10/17/2019	15682	KaufmanHall	(123,622)
Bill Pmt -Check	10/17/2019	15683	Meghan Kane	(15)
Bill Pmt -Check	10/17/2019	15684	Palms to Pines Printing	(203)
Bill Pmt -Check	10/17/2019	15685	Regents - University of California	(385)
Bill Pmt -Check	10/17/2019	15686	SDRMA	(200)
Bill Pmt -Check	10/17/2019	15687	The Nyhart Company	(7,597)
Bill Pmt -Check	10/17/2019	15688	CoPower Employers' Benefits Alliance	(2,182)
General Journal	10/18/2019	04-05	401a payment - 10/18/19 payroll	(1,724)
General Journal	10/18/2019	04-05	457b payment - 10/18/19 payroll	(2,516)
Check	10/23/2019	Auto Pay	Principal Financial Group-	(746)
Check	10/23/2019	Auto Pay	Principal Financial Group-	(798)
Check	10/25/2019		Service Charge	(527)
Bill Pmt -Check	10/29/2019	15689	Alejandro Espinoza-	(833)
Bill Pmt -Check	10/29/2019	15690	Andrea S. Hayles-	(81)
Bill Pmt -Check	10/29/2019	15691	Dale Barnhart	(1,000)
Bill Pmt -Check	10/29/2019	15692	Del Valle Informador Inc.	(400)
Bill Pmt -Check	10/29/2019	15693	Ernest Enterprises	(80)
Bill Pmt -Check	10/29/2019	15694	Evelt PerezGil - Oct 2019 Exp & Mileage Reimb	(155)
Bill Pmt -Check	10/29/2019	15695	Image Source	(529)
Bill Pmt -Check	10/29/2019	15696	Leticia De Lara - Oct 2019 Stipend	(300)
Bill Pmt -Check	10/29/2019	15697	Meghan Kane	(548)
Bill Pmt -Check	10/29/2019	15698	Principal Life Insurance Co.	(1,259)
Bill Pmt -Check	10/29/2019	15699	Regional Access Project Foundation	(550)
Bill Pmt -Check	10/29/2019	15700	Shred-It	(195)
Bill Pmt -Check	10/29/2019	15701	Zendle, Les- Sept 2019 Stipend & Mileage	(340)
Liability Check	10/31/2019		QuickBooks Payroll Service	(35,665)
General Journal	10/31/2019	04-09	Record Medical Reimb - October 2019	(1,076)
TOTAL				(554,443)

Las Palmas Medical Plaza
Check Register
As of October 31, 2019

Type	Date	Num	Name	Amount
1000 · CHECKING CASH ACCOUNTS				
1046 · Las Palmas Medical Plaza				
Bill Pmt -Check	10/03/2019	10078	Desert Water Agency	(562)
Bill Pmt -Check	10/03/2019	10079	Imperial Security	(3,145)
Bill Pmt -Check	10/03/2019	10080	INPRO-EMS Construction	(10,117)
Bill Pmt -Check	10/08/2019	10081	Palm Springs Disposal Services Inc	(2,227)
Bill Pmt -Check	10/08/2019	10082	Stericycle, Inc.	(1,480)
Bill Pmt -Check	10/17/2019	10083	Desert Oasis Healthcare-	(5,280)
Bill Pmt -Check	10/17/2019	10084	Imperial Security	(1,573)
Bill Pmt -Check	10/17/2019	10085	Frontier Communications	(228)
Bill Pmt -Check	10/17/2019	10086	Southern California Edison	(606)
Bill Pmt -Check	10/29/2019	10087	Desert Air Conditioning Inc.	(115)
Bill Pmt -Check	10/29/2019	10088	Desert Modern Landscape Design	(9,495)
Bill Pmt -Check	10/29/2019	10089	Imperial Security	(3,145)
Check	10/31/2019		Service Charge	(1,269)
TOTAL				(39,240)



MEMORANDUM

DATE: November 12, 2019

TO: F&A Committee

RE: Retirement Protection Plan (RPP)

Current number of participants in Plan:

Active – still employed by hospital	111
Vested – no longer employed by hospital	59
Former employees receiving annuity	<u>8</u>
Total	<u>178</u>

The outstanding liability for the RPP is approximately **\$4.2M** (Actives - \$2.9M and Vested - \$1.3M). US Bank investment account balance \$4.9M. Per the June 30, 2019 Actuarial Valuation, the RPP has an Unfunded Pension Liability of approximately **\$3.4M**. A monthly accrual of \$10K is being recorded each month as an estimate for FY2020.

The payouts, excluding monthly annuity payments, made from the Plan for the Four (4) months ended October 31, 2019 totaled **\$68K**. Monthly annuity payments (8 participants) total **\$1.03K** per month.



Chief Administration Officer's Report

November 12, 2019

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

97.9% currently occupied –

Total annual rent including CAM fees is **\$1,198,901**.

Leasing Activity:

Cohen, Musch, Thomas Medical Group (currently located in 3W-101) is beginning tenant improvement work in their newly leased suites (1W 105-106).

This committee meeting we are presenting a lease agreement for unit 2W-107 with a commencement date of December 1, 2019.

**Las Palmas Medical Plaza
Unit Rental Status
As of November 1, 2019**

Unit	Tenant Name	Deposit	Lease Dates		Term	Unit Sq Feet	Percent of Total	Monthly Rent	Annual Rent	Rent Per Sq Foot	Monthly CAM	Total Monthly Rent Inclg CAM	Total Annual Rent Inclg CAM
			From	To									
											\$ 0.62		
1W, 104	Vacant					1,024	2.07%						
3W, 101	Available when Cohen, Musch relocates to 1W, 105-106					1,656	3.36%						
Total - Vacancies						1,024	2.07%	Currently excludes 3W, 101					
Total Suites-33 - 29 Suites Occupied		\$ 57,097.90				49,356	97.9%	\$ 71,894.33	\$ 862,731.96	\$ 1.49	\$ 28,014.08	\$ 99,908.41	\$ 1,198,900.92
Summary - All Units													
	Vacant	1,024	2.1%										
	Pending	0	0%										
	Total	49,356	100%										

DESERT HEALTHCARE DISTRICT						
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE						
As of 10/31/19						
TWELVE MONTHS ENDED JUNE 30, 2020						
Grant ID Nos.	Name	Approved Grants - Prior Yrs	Current Yr 2019-2020	6/30/2019 Bal Fwd/New	Total Paid July-June	Open BALANCE
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000		\$ 10,000,000	\$ -	\$ 10,000,000
2015-876-BOD-6-23-15	Arrowhead Neuroscience Fndtn-NeuroInterventional & NeuroCritical Care Fellowship 2 Yr	\$ 373,540		\$ 37,354	\$ -	\$ 37,354
2016-927-BOD-12-20-16	SafeHouse of the Desert - "What's Up" Crisis Texting Application - 3 Yr	\$ 679,357		\$ 169,839	\$ 101,904	\$ 67,935
2017-938-BOD-07-25-17	Mizell Senior Center - A Matter of Balance Phase 2 - 2 Yr	\$ 400,300		\$ 40,030	\$ -	\$ 40,030
2018-960-BOD-02-27-18	Desert Cancer Foundation - Patient Assistance and Suzanne Jackson Breast Cancer	\$ 200,000		\$ 20,000	\$ -	\$ 20,000
2018-967-BOD-05-22-18	The City of DHS-Public Safety Emergency Response Program - Purchase AEDs	\$ 30,000		\$ 3,000	\$ 710	\$ 2,290
	Unexpended funds of Grant #967 (\$2,290.34 10% Retention)				\$ -	\$ (2,290)
2018-974-BOD-09-25-18	HARC - 2019 Coachella Valley Community Health Survey - 2 Yr	\$ 399,979		\$ 219,989	\$ -	\$ 219,989
2018-980-BOD-10-23-18	Joslyn Wellness Senior Behavioral Health Services Program - 1 Yr	\$ 112,050		\$ 11,205	\$ -	\$ 11,205
2018-981-BOD-10-23-18	Desert Arc Healthcare Program - 1 Yr	\$ 164,738		\$ 16,474	\$ -	\$ 16,474
2018-979-BOD-11-27-18	FIND Food Bank - Healthy Food First/Pathways Out of Hunger - 1 Yr	\$ 396,345		\$ 217,989	\$ 89,178	\$ 128,811
2019-985-BOD-03-26-19	Coachella Valley Volunteers in Medicine - Primary Healthcare & Support Services - 1 Yr	\$ 121,500		\$ 66,825	\$ -	\$ 66,825
2019-986-BOD-05-28-19	Ronald McDonald House Charities - Temporary Housing & Family Support Services - 1 Yr	\$ 200,000		\$ 200,000	\$ 90,000	\$ 110,000
2019-997-BOD-05-28-19	Martha's Village & Kitchen - Homeless Housing With Wrap Around Services - 1 Yr	\$ 200,896		\$ 110,493	\$ -	\$ 110,493
2019-989-BOD-05-28-19	Pegasus Riding Academy - Cover the Hard Costs of Pegasus Clients - 1 Yr	\$ 109,534		\$ 60,244	\$ -	\$ 60,244
2019-994-BOD-05-28-19	One Future Coachella Valley - Mental Health College & Career Pathway Development - 2 Yr	\$ 700,000		\$ 621,250	\$ -	\$ 621,250
2019-995-BOD-05-28-19	One Future Coachella Valley - HCC Summer Intern at DHCD/F & FIND Food Bank	\$ 14,628		\$ 1,463	\$ -	\$ 1,463
2019-1000-BOD-05-28-19	Voices for Children - Court Appointed Special Advocate Program - 1 Yr	\$ 24,000		\$ 13,200	\$ -	\$ 13,200
2019-1006-BOD-06-25-19	Desert Healthcare Foundation - Homelessness Initiative Collective Fund	\$ 1,000,000		\$ 1,000,000	\$ 1,000,000	\$ -
2019-1017-BOD-09-24-19	Jewish Family Services - Case Management Services for Homeless Prevention - 1 Yr		\$ 90,000	\$ 90,000	\$ 40,500	\$ 49,500
2019-1025-BOD-09-24-19	Desert Healthcare Foundation - Ready Set Swim - 1 Yr		\$ 200,000	\$ 200,000	\$ 200,000	\$ -
2019-1023-BOD-10-22-19	CVRM - Transportation for Seniors & Homeless Hospital Discharge Referrals - 1 Yr		\$ 216,200	\$ 216,200	\$ 48,645	\$ 167,555
				\$ -	\$ -	\$ -
TOTAL GRANTS		\$ 15,126,867	\$ 506,200	\$ 13,315,555	\$ 1,570,937	\$ 11,742,328
Amts available/remaining for Grant/Programs - FY 2019-20:						
Amount budgeted 2019-2020			\$ 3,500,000		G/L Balance:	10/31/2019
Amount granted through June 30, 2020:			\$ (506,200)		2131	\$ 6,342,328
Mini Grants:	1009; 1015; 1019; 1016		\$ (17,508)		2281	\$ 5,400,000
Net adj - Grants not used:	967		\$ 2,290		Total	\$ 11,742,328
Balance available for Grants/Programs			\$ 2,978,582		Difference - Rdg	\$ 0



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: November 26, 2019
To: Board of Directors
Subject: Lease Agreement – Pure Naturopathic Health, LLC 2W 107

Staff Recommendation: Consideration to approve the draft lease agreement for Pure Naturopathic Health, LLC (Corey King, N.D. & William Grimm Jr., D.O.) at the Las Palmas Medical Plaza.

Background:

- Pure Naturopathic Health, LLC is a prospective tenant of the Las Palmas Medical Plaza
- Pure Naturopathic Health is requesting a lease of five years, with a base rent of \$2.00/square foot and a Tenant Improvement Allowance of \$12/square foot with one optional five-year extension. The lease also includes one month of rent abatement and an annual base rent increase of 4%
- At the November 12, 2019 F&A Committee meeting, the Committee recommended forwarding to the Board for approval
- Staff recommends approval of the draft lease agreement
- Draft lease agreement is attached for review

Fiscal Impact:

Estimated revenue from Rent and CAMs for life of the lease - \$171,204

Estimated cost of Tenant Improvement Allowance (\$12.00/sf) - \$12,288

Estimated cost of Broker Commission - \$7,987

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OFFICE BUILDING LEASE

This Lease between Desert Healthcare District, doing business as Las Palmas Medical Plaza hereinafter referred to as "Landlord", and Pure Naturopathic Health, LLC, referred to as "Tenant", and is dated December 1, 2019.

I. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises described in Section 2L. The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants, and invitees, to use of the Common Areas (as defined at Section 2e).

2. DEFINITIONS.

As used in this Lease, the following terms shall have the following meanings:

- a. *Base Rent (Initial)*: \$ Twenty-Four Thousand Five-Hundred Seventy-Six & 00/100 (24,576.00) per year.
- b. *Base Year*: The calendar year of December 1 to November 30.
- c. *Broker(s)*:
Landlord's: Coldwell Banker Commercial Lyle & Associates.
Tenant's: N/A.
In the event that N/A, represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date*: December 1, 2019.
- e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date*: November 30, 2024, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address*: 1140 N. Indian Cayon Dr. Palm Springs, CA 92262.
Tenant's Mailing Address: 555 E. Tachevah Dr. 2W-107 Palm Springs, CA 92262.
- h. *Monthly Installments of Base Rent (initial)*: \$ Two-Thousand, Forty-Eight and 00/100 Dollars (\$2,048.00) per month.
- i. *Project Operating Costs (CAMs)*: Currently Sixty-two Cents (\$.62) per square foot per month.
- j. *Tenant Improvement Allowance (TI)*: Twelve and 00/100 Dollars (\$12.00) per square foot or Twelve-Thousand Two-Hundred Eighty-Eight & 00/100 Dollars (\$12,288.00).
- k. *Parking*: Tenant shall be permitted, to park 5 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 1024 square feet of Rentable Area, located in Building 2W and known as Suite 107.
- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262. The Project is known as The Las Palmas Medical Plaza.
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

_____ District _____ Recipient

- o. *Security Deposit (Section 7)*: \$ Two-Thousand Six-Hundred Eighty-Two & 88/100 Dollars (\$2,682.88).
- p. *State*: the State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share*: 2.07 %. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: Medical practice consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

3. EXHIBITS AND ADDENDA.

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

- a. Exhibit "A" Rules and Regulations.
- b. Addenda*

*See Addendum attached hereto and by this reference made a part hereof.

4. DELIVERY OF POSSESSION.

If for any reason Landlord does not deliver possession of the Premises to Tenant on the commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession, "Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work as defined in Addendum. If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.

5. RENT.

5.1 *Payment of Base Rent*: Tenant agrees to pay the base rent for the premises. Monthly installments of Base Rent shall be payable in advance on the first day of each calendar month of the term. If the term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Base Rent when Tenant executes the Lease.

5.2 *Adjusted Base Rent*:

- a. The Base Rent (and the corresponding monthly installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date.
- b. Such adjustment shall be the greater of 3% over the preceding year or Consumer Price Index.

5.3 *Project Operating Costs(CAMs)*:

- a. In order that the Rent payable during the Term reflect Project Operating Costs, Tenant agrees to pay to Landlord as Rent, Tenant's Proportionate Share of all costs, expenses and obligations attributable to the Project and its operation as set forth in 2i, all as provided below.
- b. If, during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this lease, an amount equal to Tenant's Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.

(1.) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b).

(a.) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer,

_____ District _____ Recipient

transactions, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operation Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

(b.) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project as required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including without limitation engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenant); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service (including, without limitation, an amount equal to the fair market rental value of the mail room premises); (7) management of the Building or Project, whether managed by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market value of any on-site manager's office); (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; (10) amortization of capital expenses (including financing costs) (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by landlord to reduce Project Operating Costs; and (11) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Project. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.

(2.) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:

(a.) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."

(b.) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expense for each Comparison Year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.

(c.) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If the credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.

(d.) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.

_____ District _____ Recipient

- (e.) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).
- (f.) If this Lease sets forth an Expense Stop at Section 2f, then during the Term, Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3(2)(b) and (c) above.

5.4 *Definition of Rent:* The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefore and without deduction or offset, in lawful money of the United States of America.

5.5 *Rent Control:* If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

5.6 *Taxes Payable by Tenant:* In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

5.7 *Tenant Improvement Allowance:* In recognition for Tenant completing certain improvements, ~~including fire sprinklers,~~ to the premises as mutually agreed by Landlord and Tenant, Landlord shall provide Tenant with a total Tenant improvement allowance not to exceed that set forth in Section 2j upon completion of the agreed upon tenant improvements. This allowance will be reimbursed to tenant upon satisfactory receipt of paid invoices and inspection by Property Management that work has been satisfactorily completed. Any additional tenant improvements will be at the sole expense of the Tenant. Improvements shall conform to a high quality of design approved by Landlord prior to commencement of work, and shall be performed by a licensed General Contractor approved by Landlord in advance. Tenant shall submit plans and specifications for any and all improvements to Landlord, and where necessary, the City of Palm Springs and other applicable government agencies for their required approval (if any) prior to commencement of work. Tenant and the General Contractor shall indemnify and hold Landlord and its officers, agents and employees harmless from any liability resulting from the tenant improvement work and shall be named as an additional insured on the insurance policy of both the Tenant and the General Contractor. All costs shall be subject to prevailing wages and if construction costs exceed \$25,000, then the tenant improvements shall also be subject to California competitive bid statutes.

6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within five (5) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

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7. SECURITY DEPOSIT.

Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer or encumber the Security Deposit without the prior written consent of Landlord and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.

If Tenant fails to pay Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach, and for any loss or damage sustained by Landlord as a result of Tenant's default or breach, and Landlord may so apply or use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand therefore, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

8. TENANT'S USE OF THE PREMISES

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything, which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefore on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (I) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as

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determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord Promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services of common area in a manner that such services are customarily furnished to comparable office buildings in the area.

10. CONDITION OF THE PREMISES.

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession of the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

11. CONSTRUCTION, REPAIRS AND MAINTENANCE.

- a. *Landlord's Obligations:* Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.
- b. *Tenant's Obligations:*
 - (1.) Tenant shall perform Tenant's Work to the Premises as described in an exhibit specific to Tenant Improvements, if applicable."
 - (2.) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.
 - (3.) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.
 - (4.) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.
- c. *Compliance with Law:* Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.
- d. *Waiver by Tenant:* Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

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- e. *Load and Equipment Limits:* Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.
- f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.
- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.
- h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

12. ALTERATIONS AND ADDITIONS.

- a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor in which case the cost of such work shall be paid for before commencement of the work. Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of fifteen percent (15%) of the cost of the work.
- b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notice at any reasonable time.

- c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at least one and one-half (1.5) times the total estimated cost of any additions, alterations or improvements to be made in or to the Premises, to protect Landlord against any liability for mechanic's and material men's liens and to insure timely completion of the work. Nothing contained in this Section 12c shall relieve Tenant of its obligations under Section 12b to keep the Premises, Building and Project free of all liens.
- d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13b.

13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to

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Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively “Tenant’s Property”) shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant’s Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

14. RULES AND REGULATIONS.

Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit “D” and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building of Project.

15. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant’s use or possession of the Premises:

- a. To name the Building and Project and to change the name or street address of the Building or Project;
- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have pass keys to the Premises and all doors within the Premises, eluding Tenant’s vaults and safes;
- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord’s interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant’s business in the Premises in the course of any such entry.

16. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as provided in this Article 16.

- a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.
- b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant’s notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant’s notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:
 - (1.) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
 - (2.) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;
 - (3.) No assignment or sublease shall be valid and no assignee or sub lessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
 - (4.) No assignee or sub lessee shall have a further right to assign or sublet except on the terms herein contained; and

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- (5.) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.
- c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sub lessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.
- d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sub lettings or amendments or modifications to the Lease with assignees of tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereof and any such actions shall not relieve Tenant of liability under this Lease.
- e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100 Dollars (\$150.00) plus any attorney's fees reasonably incurred by Landlord in connection with such act or request.

17. HOLDING OVER.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

18. SURRENDER OF PREMISES.

- a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.
- b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date Tenant shall surrender all keys to the Premises.

19. DESTRUCTION OR DAMAGE.

- a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements, or other casualty, Landlord shall, subject to the provisions of this Article, promptly repair the damage, if such repairs can, in Landlord's opinion, be completed within ninety (90) days. If Landlord determines that repairs can be completed with ninety (90) days, this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees, or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.
- b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord may elect, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

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- c. If any other portion of the Building or Project is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.
- d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration, and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building, or Project as a result of any damage from fire or other casualty.
- e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building, or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absent of express agreement, shall have no application.

20. EMINENT DOMAIN.

- a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.
- b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment, or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title, and interest in any award, judgment, or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.
- c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expenses for the repair, restoration, and replacement of any other Leasehold improvements and Tenant's Property.

21. INDEMNIFICATION.

- a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity, or other things allowed or suffered by Tenant to be done in, on, or about the Premises; (2) any breach or default by Tenant of any of the Tenant's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees, or contractors. Tenant shall at Tenant's expense and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on, or about the Premises from any cause.
- b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees, or customers or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

22. TENANT'S INSURANCE.

_____ District _____ Recipient

- a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees, and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees, or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefore. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee, and Tenant as required by this Lease.
- b. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions, or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise, and other personal property from time to time in, on, or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism, and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) above be paid to Landlord, and the proceeds under (ii) above be paid to Tenant.
- c. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for, and maintain in effect worker's compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation, or condition of the Premises, and the operations of Tenant in, on, or about the Premises, providing broad form property damage coverage for not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) each occurrence, and property damage liability insurance with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000) each accident.
- d. Not less than every three (3) years during the Term, Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Article. In the event Landlord and Tenant cannot mutually agree upon the amounts of said increases, then Tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights or recovery against the other and against the officers, employees, agents, and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

24. SUBORDINATION AND ATTORNMENT.

Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or thereafter to be made thereunder. However, before signing any subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term. The holder of any security interest may, upon written notice to Tenant, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure, or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee, or lessor, as the case may be, and recognize that party as Landlord under this Lease provided such party acquires and accepts the Premises subject to this Lease.

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25. TENANT ESTOPPEL CERTIFICATE.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee, or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim, or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building, or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission relating to the Premises, Building, Project, or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

27. DEFAULT.

27.1. *Tenant's Default.* The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. If Tenant abandons or vacates the Premises; or
- b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) days after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition, or agreement contained in this lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody, or control of Tenant or any substantial part of its property and such jurisdiction, custody, or control remains in force unrelinquished, unstayed, or unterminated for a period of forty-five (45) days; or
- g. If in any proceeding or action in which Tenant is not a party, a trustee, receiver, agent, or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or
- h. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs d through g above.

27.2. *Remedies.* In the event of Tenant's default hereunder, then, in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

- a. Terminate this Lease and Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or
- b. Continue this Lease in effect, re-enter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Re-enter the Premises under the provisions of subparagraph b and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

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If Landlord re-enters the Premises under the provisions of subparagraph b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any re-entry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth, to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting, which is applied against, the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

- (1.) *Past Rent.* The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
- (2.) *Rent Prior to Award.* The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (3.) *Rent After Award.* The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant provides could be reasonably avoided; plus
- (4.) *Proximately Caused Damages.* Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including, but not limited to, any costs or expenses (including attorneys' fees) incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Premises, including broker's commissions.

"The worth at the time of the award@ as used in subparagraphs 1 and 2 above is to be computed by allowing interest at the rate of ten percent (10%) per annum." The worth at the time of the award@ as used in subparagraph 3 above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant, or condition of this Lease shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant, or condition unless Landlord gives Tenant written notice of such waiver.

- 27.3 *Landlord's Default.* If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title, and interest in the Premises, Building, or Project, and no other real, personal, or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce, or offset any amount against any payments of Rent or any other charges due and payable under this Lease, except as otherwise specifically provided herein.

28. BROKERAGE FEES.

_____ District _____ Recipient

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except those noted in Section 2.c. Tenant shall indemnify and hold Landlord harmless from any cost, expenses, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission, or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

29. NOTICES.

All notices, approvals, and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Building manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state, or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

31. RELOCATION OF PREMISES.

Landlord shall have the right to relocate the Premises to another part of the Building in accordance with the following:

- a. The new premises shall be substantially the same in size, dimension, configuration, decor and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.
- b. Landlord shall give Tenant at least thirty (30) days written notice of Landlord's intention to relocate the Premises.
- c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Base Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.
- d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.
- e. If the new premises are smaller than the Premises as it existed before the relocation, Base Rent shall be reduced proportionately.
- f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Base Rent, if any.

32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

33. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

34. FORCE MAJEURE.

_____ District _____ Recipient

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefore, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 34 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

35. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefore.

36. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

37. MISCELLANEOUS.

- a. *Accord and Satisfaction; Allocation of Payments:* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.
- b. *Addenda:* If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. *Attorneys' Fees:* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
- d. *Captions, Articles and Section Numbers:* The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.
- e. *Changes Requested by Lender:* Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.
- f. *Choice of Law:* This Lease shall be construed and enforced in accordance with the laws of the State of California.
- g. *Consent:* Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.
- h. *Corporate Authority:* If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.
- i. *Counterparts:* This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.
- j. *Execution of Lease; No Option:* The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant

_____ District _____ Recipient

and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

- k. *Furnishing of Financial Statements; Tenant's Representations:* In order to induce Landlord to enter into this Lease, Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects.
- l. *Further Assurances:* The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.
- m. *Mortgagee Protection:* Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.
- n. *Prior Agreements; Amendments:* This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.
- o. *Recording:* Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.
- p. *Severability:* A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.
- q. *Successors and Assigns:* This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.
- r. *Time of the Essence:* Time is of the essence of this Lease.
- s. *Waiver:* No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.
- t. *Compliance:* The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date:	_____	Date:	_____
Landlord:	<u>Desert Healthcare District</u>	Tenant:	_____
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Conrado Bárzaga</u>	By:	_____

_____ District _____ Recipient

Signature: _____

Signature: _____

Title: CEO

Title: _____

CONSULT YOUR ADVISORS This document has been prepared for approval by your attorney. No representation or recommendation is made as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

DRAFT

EXHIBIT "A"

RULES AND REGULATIONS

1. No sign, placard, pictures, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on entry door and directory shall be printed, painted, affixed, or inscribed at the expense of Landlord by a person approved by Landlord outside the Premises; provided, however, that Landlord may furnish and install a Building standard interior window covering at all exterior windows. Tenant shall not, without prior written consent of Landlord, cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.
3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of the rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.
5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substances in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises of the Building.
8. No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for storage of merchandise, for washing clothes, for lodging or for any improper, objectionable or immoral purposes.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m. the following day, access to the Building or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.

_____ District _____ Recipient

14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
15. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
17. Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

Landlord's Initials

Tenant's Initials

DRAFT

ADDENDUM

Addendum to that certain Office Building Lease dated December 1, 2019 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Pure Naturopathic Health, LLC, as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

In the event of any inconsistency between the Addendum language and the body of the Lease, the Addendum language shall prevail.

- 1. Commencement Date: December 1, 2019
- 2. Expiration Date: November 30, 2024
- 3. Rent Schedule:

12/1/2019-11/30/2020	\$2048.00	
12/1/2020-11/30/2021	\$2129.92	Greater of 4% or CPI
12/1/2021-11/30/2022	\$2215.12	Greater of 4% or CPI
12/1/2022-11/30/2023	\$2303.72	Greater of 4% or CPI
12/1/2023-11/30/2024	\$2395.87	Greater of 4% or CPI
- 4. CAMs: Currently \$.62 per square foot.
- 5. Security Deposit: Two Thousand Six Hundred Eighty-Two & 88/100 Dollars (\$2,682.88).
- 6. Renewal Options: Tenant requests one optional 5-year extension Greater of 4% or Market Rate
- 7. Fire Sprinklers: **Fire Sprinkler system installation shall be the responsibility of the District. In opting out of performing the fire sprinkler installation, Tenant grants permission to Landlord to coordinate all such activities necessary to complete the fire sprinkler installation in a timely manner.**
- 8. Rent Abatement: Landlord shall provide one (1) month of rent abatement in the amount of Two-Thousand Six-Hundred Eighty-Two & 88/100 Dollars (\$2,682.88).

The foregoing is hereby agreed to and accepted:

Date: _____

Date: _____

Landlord: Desert Healthcare District

Tenant: _____

dba: Las Palmas Medical Plaza

By: Conrado Bárzaga

By: _____

Signature: _____

Signature: _____

Title: CEO

Title: _____



Congress of the United States
House of Representatives
Washington, DC 20515-0536

November 21, 2019

Les Zendle, M.D.
President
Desert Healthcare District
1140 N. Indian Canyon Drive
Palm Springs, CA 92262

Dear Dr. Zendle,

I am writing to encourage the Desert Healthcare District to be a part of an Environmental Justice Collaborative with the key role of producing a comprehensive strategic plan to prevent, mitigate, and respond to airborne environmental hazards in the Eastern Coachella Valley.

The Desert Healthcare District is uniquely qualified to partake in this collaborative along with other stakeholders including tribal governments, Riverside County, the State of California, the South Coast Air Quality Management District, the Coachella Valley Unified School District, federal partners including the EPA and BIA, and others.

When major disasters such as wildfires, earthquakes, or floods occur, there are well-defined emergency response processes and regulations to protect the public health when there is imminent threat to life and property. However, there is no clear procedure for rapid response to airborne hazards that can have a significant public health effect without imminent threat to life or property. The Coachella Valley has long been a non-attainment zone for air quality, and there is no clear protocol for the public health response to high levels of smoke, dust, or other particle pollution. Additionally, there is no shared clear understanding of how to determine whether the public's health is at risk during such events.

The recent fire at the former site of the Sun Valley Recycling Center in Thermal highlighted this issue. Despite the clear presence of increased smoke and particle pollution, there were challenges evaluating the potential hazard and communicating effectively with residents regarding the safety of students, workers, and residents. Students remained home for a week, but it is unclear whether this put them in a healthier environment, given that many live in the local community where closed-circuit air conditioning systems are not common.

It is apparent that there needs to be an established plan of action among stakeholders to efficiently prevent, mitigate, and respond to poor air quality events that pose a threat to public health. I see an opportunity for the tribal governments, Riverside County, the State of California, the South Coast Air Quality Management District, the Coachella Valley Unified School District, federal partners including the EPA and BIA, and the expanded Desert Healthcare District to develop a coordinated effort to monitor local air quality, communicate with the public, and efficiently prevent, mitigate, and respond to adverse health effects experienced by Eastern

Coachella Valley residents, particularly children, the elderly, and other vulnerable segments of the population, such as those suffering from respiratory and pulmonary ailments.

I believe that your mission, “to achieve optimal health at all stages of life for all District residents,” positions the Desert Healthcare District as the organization who is perfectly situated to play a key role in the comprehensive Environmental Justice Collaboration and produce a strategic plan that includes an assessment of air quality threats, lessons learned, and a plan with recommendations for prevention, mitigation, and response to airborne environmental hazards for the benefit of the community’s public health.

I am a strong supporter of the Desert Healthcare District and its mission, and I look forward to a partnership that results in the ability of stakeholders to respond capably and efficiently on behalf of our residents.

Sincerely,



Raul Ruiz, M.D.
Member of Congress



DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE
MEETING MINUTES
November 12, 2019

Directors Present	District Staff Present	Absent
Chairman/Treasurer Mark Matthews Vice-President Leticia De Lara, MPH Director Arthur Shorr	Conrado E. Bárzaga, MD, Chief Executive Officer Chris Christensen, Chief Administration Officer Stephen Huyck, Accounting Manager Andrea S. Hayles, Clerk to the Board	

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chairman Matthews called the meeting to order at 3:04 p.m.	
II. Approval of Agenda	Chairman Matthews asked for a motion to approve the agenda.	Moved and seconded by Vice-President De Lara and Director Shorr to approve the agenda. Motion passed unanimously.
III. Public Comment	There was no public comment.	
IV. Approval of Minutes 1. F&A Minutes – Meeting October 8, 2019	Chairman Matthews motioned to approve the October 8, 2019, minutes.	Moved and seconded by Director Shorr and Vice-President De Lara to approve the minutes. Motion passed unanimously.
V. CEO Report	No report was provided.	
VI. Chief Financial Officer's Report 1. LPMP Leasing Update	Chris Christensen, CAO, explained that there is one new lease for approval later in the meeting, and two suites are currently vacant. One vacancy is 1,000 sq. ft. and the other vacancy is 1,600 sq. ft.	
VII. Financial Reports 1. District and LPMP Financial Statements 2. Accounts Receivable Aging Summary 3. District – Deposits 4. District – Property Tax Receipts 5. LPMP Deposits 6. District – Check Register	Chairman Matthews provided an overview of the financials, and Chris Christensen, CAO, explained that the District is ahead of income projections for investments, and the direct expenses are down due to adjustments at the beginning of the year.	Moved and seconded by Director Shorr and Vice-President De Lara to approve the September 2019 District Financial Reports - Items 1-10 and to forward to the Board for approval. Motion passed unanimously.

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE
MEETING MINUTES
November 12, 2019**

<p>7. Credit Card – Detail of Expenditures 8. LPMP – Check Register 9. Retirement Protection Plan Update 10. Grant Payment Schedule</p>		
<p>VIII. Other Matters</p> <p>1. LPMP Lease – Suite 2W 107 – Corey King, N.D., & William Grimm, Jr., M.D.</p> <p>2. T-Mobile Cell Site Amendment #3 – Extending the lease 5 years</p> <p>3. Political Consultants for Potential Hospital Lease/Transaction</p>	<p>Chris Christensen, CAO, explained the details of the lease for \$2 per sq. ft. and \$12 per sq. ft. for the Tenant Improvements (TI) requesting that the District pay for the sprinkler system requirements. The lease includes the option of a 5-year extension and 1-month rent abatement.</p> <p>In 1996 when the District owned and operated the hospital, a cell tower was installed with the term expiring in 2021. Chairman Matthews recommended tabling the matter for one month due to his relationship with a non-profit operator and a potentially different rate, including more expertise.</p> <p>Chris Christensen, CAO, described the discussions for a consultant to guide the Board as the Tenet lease transaction unfolds with staff, making a recommendation for Strategies 360.</p>	<p>Moved and seconded by Director Shorr and Vice-President De Lara to approve the LPMP Lease – Suite 2W 107 – Corey King, N.D., & William Grimm, Jr., M.D., and to forward to the Board for approval. Motion passed unanimously.</p> <p>Moved and seconded by Director Shorr and Vice-President De Lara to table for one month the T-Mobile Cell Site Amendment #3 – extending the lease 5 years. Motion passed unanimously.</p> <p>Moved and seconded by Director Shorr and Vice-President De Lara to approve the Political Consultant for Potential Hospital Lease/Transaction and to forward to the Board for approval. Motion passed unanimously.</p>
<p>IV. Adjournment</p>	<p>Chairman Matthews adjourned the meeting at 3:24 p.m.</p>	<p>Audio recording available on the website at</p>



**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE
MEETING MINUTES
November 12, 2019**

		http://dhcd.org/Agendas-and-Documents
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ATTEST: _____
Mark Matthews, Chair/Treasurer Finance & Administration Committee
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board

DRAFT



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: November 26, 2019
To: Board of Directors
Subject: Consulting services agreement with Strategies 360 as a political consultant for a potential Tenet Transaction for Desert Regional Medical Center (DRMC)

Staff Recommendation: Consideration to approve a consulting services agreement with Strategies 360 to provide political consulting services for a potential Tenet transaction for (DRMC)

Background:

- July 14, 2019, Tenet submitted a proposal to purchase Desert Regional Medical Center from the Desert Healthcare District (DHCD).
- July 25, 2019, the proposal was presented to the Board of Directors.
- The Board requested Tenet bring back a more substantial proposal.
- A service agreement with Kaufman Hall was approved to work with DHCD regarding the proposal.
- An ad hoc committee was formed and is working with Staff, the District's legal counsel, and Kaufman Hall.
- Should a future Tenet proposal be agreeable to the Board of Directors, DHCD will engage a political consultant to determine the feasibility of a ballot initiative and when to place it on an election ballot.
- Feasibility scope of work – the Consultant will provide guidance to the Board in providing messaging to the public and in strategizing a potential ballot initiative. Polling and focus groups will be conducted as part of this phase.
- If the ballot initiative is deemed feasible, the Board may then consider engaging the consultant further to create a program to educate the public on the potential sale. A proposal for education scope of work would be submitted at a later date.
- At the November 12, 2019 Finance & Administration Committee meeting, the committee recommended forwarding to the Board for discussion and consideration of approval.
- Staff recommends approval of a consulting services agreement with Strategies 360 for Feasibility work.

Fiscal Impact:

Estimated Costs:

Feasibility phase NTE \$ 69,000

CONSULTING SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is entered into by and between Desert Healthcare District (“District”), a public agency organized and operating pursuant to California Health and Safety Code section 32000 et seq., and Strategies 360, Inc., (“Consultant”) as follows:

R-E-C-I-T-A-L-S

1. District would like to retain the professional services of Consultant to provide research, analysis and guidance to the Board of Directors regarding a potential sale transaction of Desert Regional Medical Center to Tenet Healthcare.

2. Consultant has worked with special districts and governmental agencies for many years and is qualified and possesses the knowledge, skill, expertise, necessary to provide the professional services (“Services”) as more specifically outlined in the attached Exhibit “A” (“Consultant Proposal”).

C-O-V-E-N-A-N-T-S

1. CONSULTANT’S SERVICES.

1.1 Services. Consultant shall provide all labor, materials, equipment, and incidentals necessary to fully and adequately provide the District and the Desert Healthcare District (“District”) with the professional services described in the Consultant’s Proposal a copy of which is attached hereto as Exhibit “A” and incorporated herein. All Services shall be performed by Consultant to the reasonable satisfaction of the District.

1.2 Compliance with Laws. In performing the Services, Consultant shall, at all times comply with all applicable laws, rules, regulations, codes, ordinances, and orders of every kind whatsoever issued, adopted, or enacted by any federal, state, or local governmental body having jurisdiction over the Services.

1.3 Performance Standard. Consultant shall perform the Services with efficiency and diligence and shall execute the Services in accordance with the standards of Consultant’s profession, generally described as that degree of skill and care ordinarily exercised by professionals providing similar services as Consultant practicing in California.

1.4 District and Foundation’s Representative. For purposes of this Agreement, the District and Foundation’s Representative shall be District’s Chief Executive Officer Conrado Barzaga, located at 1140 North Indian Canyon Drive, Palm Springs, CA 92262. All amendments to this Agreement shall be approved by the District Board.

2. FEES AND PAYMENTS.

2.1 Compensation for Services. For the full and satisfactory performance of the Services, District shall compensate Consultant a Not To Exceed amount of \$69,000, plus customary expenses.

2.2 Invoices. Consultant shall deliver monthly invoices to the District no later than the 10th day of each month for Services.

2.3 Payment. The District shall remit payment for all amounts due to Consultant within thirty (30) days after receipt of invoices; provided, however, in the event District disputes any portion of Consultant's invoice, it shall timely pay any undisputed amounts invoiced and notify Consultant within thirty (30) days of its receipt of the invoice of the specifics of any disputed amounts. The parties shall expeditiously resolve the subject of any disputed amounts by way of negotiation or, if necessary, mediation. Any such dispute shall not relieve Consultant of its obligation to continue diligently performing the Services.

3. TERM; TERMINATION.

3.1 Term. The term of this Agreement shall run from the date this Agreement is fully executed until October 31, 2020, subject to Section 1.3 above or the District's right to terminate sooner for convenience.

3.2 Termination for Convenience. District may, at any time in the exercise of its sole discretion, terminate this Agreement in whole or in part, with or without cause, by providing notice to Consultant of its intention to terminate the Agreement for convenience. So long as Consultant is not in default under this Agreement at the time of such termination, District shall pay Consultant for all Services incurred upto and including the date of termination.

4. INDEPENDENT CONTRACTOR.

District has retained Consultant to provide, and Consultant shall perform, the Services as an independent contractor maintaining exclusive direction and control over its employees; and, no personnel utilized by Consultant to perform the Services are employees of the District.

5. OWNERSHIP OF DOCUMENTS.

All deliverables and other documents generated by Consultant in the performance of the Services, including all work papers, work-in-progress, designs, documents, data, ledgers, journals and reports prepared by Consultant as a part of Consultant's Services shall belong to and be subject to the sole ownership and use of the District. The provisions of this Paragraph 5 shall survive any termination of this Agreement.

6. INDEMNIFICATION.

Consultant agrees to indemnify and hold the District and Foundation, its governing body, officers, employees, representatives, agents, successors and assigns (collectively the District/Foundation Indemnities), harmless from and against any and all losses, liabilities, claims, causes of action or costs and expenses of whatever nature or kind, incurred or suffered by the District or the District/Foundation Indemnities including indemnity claims arising by reason of any personal injury of any person or property loss, loss of use, or damage, to the extent the same arise out of or in connection with the negligent act(s) or omission(s), recklessness, or willful misconduct of Consultant, its officers, employees, subcontractors, or representatives, relating to the performance of the services outlined in this Agreement.

7. NOTICE.

All notices to be given under this Agreement shall be in writing and shall be deemed effective upon receipt when personally served or two days after mailing by certified, return receipt requested, to the following addresses:

To: District
Desert Healthcare District
Attention: Conrado Barzaga, Chief Executive Officer
1140 N. Indian Canyon Drive
Palm Springs, California 92262

To: Consultant
Strategies 360, Inc.
Attention: Ron Dotzauer, CEO of Strategies 360, Inc.,
1505 Westlake Ave. N, Suite 1000
Seattle, WA 98109

8. MISCELLANEOUS PROVISIONS.

8.1 Venue. Venue shall lie only in the federal or state courts nearest to the City of Palm Springs, in the County of Riverside, State of California.

8.2 Modification. This Agreement may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Agreement.

8.3 Entire Agreement. This Agreement, together with all Schedules attached, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda, or agreements are in

conflict with this Agreement, are intended to be replaced in total by this Agreement and its schedules.

8.4 Assignment. Consultant shall not be entitled to assign all or any portion of its rights or obligations contained in this Agreement without obtaining the prior written consent of the District. Nothing in this Agreement shall obligate the District to give such consent. Any purported assignment without the District’s consent shall be void.

8.5 Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs, and assigns.

8.6 Unenforceable Provisions. The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

This Agreement is entered into in the County of Riverside, State of California.

“District”:

“Consultant”:

Desert Healthcare District

Stragies 360, Inc.

By: _____
Les Zendle M.D., President

By: _____
Areen Ibranossian, Senior Vice
President

Date: _____

Date: _____



EXHIBIT "A"

DESERT HEALTHCARE DISTRICT & FOUNDATION

ELECTORAL FEASIBILITY PROPOSAL

Scope of Work

Recently there has been public discussion about the potential sale of Desert Regional Medical Center Hospital to Tenet Healthcare. This proposal provides research and analysis on what the level of public support for such a proposal would be in addition to determining the correct ballot timing for this potential initiative. We will utilize the following methods to accomplish these goals:

- Poll/Focus Group of registered voters to determine support levels, messaging, and correct ballot timing
- Ongoing analysis of the polling/focus group results in comparison with ongoing

In addition, we are proposing a monthly contract with a retainer to ensure the entire S360 team is available to the DHD Governing Board to provide political advice and guidance on ballot placement and other relevant topics.

Poll/Research

S360 will conduct a poll of registered voters who are likely to vote to determine initial levels of support for this issue, in addition to testing possible messaging and the support of potential political validators. In addition, we will use this poll to gauge which election cycle this issue should be placed in. Voter composition and turnout will be different in each election and we can use this poll to determine when the best timing is for this issue. We recommend talking to a larger pool of voters (500 interviews rather the 400) as this will ensure statistical reliability in determining which election to place this issue on the ballot.

Our Experience

This is a representative sample of the work that Strategies 360 has done on behalf of special districts or governmental entities:

Washington

- Represented more than 30 school districts on bond and levy measures including Seattle Public Schools, Tacoma School District, and the Lake Washington School District

Colorado

- Represented the following special districts in bond/levy measures (Frederick Firestone Fire District, Arvada Fire District, Anything Libraries, Four Mile Fire District, Longmont Water District, Apex Recreation District, and St. Vrain Left Hand Water Conservancy District)
- Represented more than 20 school districts on bond, levy and other ballot initiatives including Denver Public Schools, Jefferson County School District, Poudre School District, Eaton School District, Littleton Public Schools, Douglas County School District, and Mapleton Public Schools

Idaho

- Facilitated sale of non-profit St. Joseph's Hospital in Lewiston, Idaho to RCCH
- Represented City of Lewiston (Sewer & Water Bond)
- Represented City of Boise in Fire Bond Initiative
- Represented Friends of Kuna School District Bond Initiative
- Represented Star Sewer & Water District

Nevada

- Represents a public hospital and the largest for-profit hospital group in Nevada
- Represented the South Nevada Health District, which has governance over Clark County

Hawaii

- Represented Honolulu Authority for Rapid Transit in successful funding initiative for rail project

California

- Represented Ventura County Health Care
- Conducted polling for numerous school districts in bond/levy measures

Oregon

- Represented Oregon Historical Society levy renewal
- Represented Portland Public School in bond and levy communications
- Represented Beaverton Public School in teacher levy renewal
- Representing Multnomah County to develop the Preschool for All measure
- Represents Metro (regional tri-county government) in parks levy measure
- Worked with Oregon Hospital Association on Measure 1010 to affirm a tax on hospitals that fund Medicaid in Oregon

TOTAL COSTS

- **POLL** \$32,000 - \$39,000 (400 v.500 interviews)
- **MONTHLY RETAINER** \$6,000 per month at 5 months \$30,000
- **GRAND TOTAL** **\$62,000 to \$69,000**

Statement of Qualifications

Strategies 360 has an exceptional in-house team of qualified individuals capable of performing the services listed above. If selected, the following team members are prepared to apply their skills and expertise to execute a successful voter education effort.

Areen Ibranossian

Senior Vice President, Southern California



Areen leads Strategies 360's practice in Los Angeles after working within L.A. City Hall for nearly two decades. He has also earned numerous victories on the campaign trail, including two successful city-wide races. As Senior Vice President, Areen pairs his sophisticated experience in L.A. County with the full capabilities of Strategies 360 to help lead clients to success.

Prior to consulting, Areen served as Chief of Staff to Los Angeles City Councilmember Paul Krekorian. Here, he oversaw all aspects of the office's policy portfolio, with a focus on the city's multi-billion-dollar budget, job creation, communications, and policy development.

In this capacity, Areen was integral to creating the city's newly founded Job and Economic Development Incentive (JEDI) Zones to spur business development across Los Angeles. He also served as campaign manager for Councilmember Krekorian's successful City Council bid in 2009.

Areen's experience in LA City Hall extends back to 2003 when he worked for then-LA City Councilmember Antonio Villaraigosa. He went on to serve in Villaraigosa's mayoral administration as special assistant to the mayor, as well as a budget analyst in the mayor's budget and finance shop. Areen has an extensive background in campaigns and communications, having worked on numerous local races at the local and national levels, including President Barack Obama's 2008 campaign, along with campaigns for Congressman Adam Schiff, Mayor Villaraigosa, and many others. In addition, Areen has extensive background in statewide policy initiatives and coalition building, playing key roles in advocating for the California Film and Television Production Tax Incentive bills signed into law by Governor Jerry Brown, the creation of a California Trade Office system, and the inclusion of the Armenian Genocide in state education curriculum.

Andy Winer

Senior Vice President, Federal Relations



Andy has more than 30 years of governmental, political, and legal experience. Most recently, Mr. Winer served as Chief of Staff to Senator Brian Schatz (D-HI).

Senator Schatz came to office in December 2012, and he faced an immediate special election challenge from a well-known Member of Congress. Andy developed and implemented the campaign strategy resulting in a 1782 vote victory, which earned Campaign and Elections Magazine's 2014 Award for "Best Bare-Knuckled Street Fight Victory."

Before his time in the Senate, Andy served as the Director of External Affairs at the National Oceanic & Atmospheric Administration (NOAA) as a political appointee.

Prior to his government service in Washington, D.C., Andy practiced law in Hawaii for over twenty years, and he founded and served as the managing partner of a successful law firm in Honolulu for fifteen years.

Andy has a successful track record managing and advising on political campaigns. In 2008, Andy served as the Hawaii State Director for the Obama for America presidential campaign. In 2006, Andy served as Senator Daniel Akaka's campaign manager. In 2012, Andy served as the senior adviser to Senator Mazie Hirono's successful U.S. Senate campaign. Most recently, in 2018, Andy served as the senior adviser to State Senator Josh Green's successful campaign for Hawaii Lieutenant Governor.

Andy graduated *summa cum laude* from UCLA (B.A. in political science and history), and from the University of California at Berkeley (J.D.)

Nella McOsker

Vice President, Southern California



Nella brings years of experience crafting high-level strategy in communications, reputation management and coalition building for clients in a range of industries – from technology and tourism to healthcare and retail.

Nella specializes in strategic planning, corporate communications and stakeholder engagement, helping clients develop processes and communications tactics that proactively build reputation and effectively respond to public issues.

Nella graduated with honors from the University of Notre Dame with a degree in Political Science and an interdisciplinary minor in Politics, Philosophy and Economics.

High Lantern Group | *Director*

Ran client accounts in strategic planning, corporate communications, narrative development and stakeholder management. Client roster included Nordstrom, MGM Resorts International and Intel.

Coro Fellowship in Public Affairs | *Fellow*

Graduate-level, experience-based fellowship training leaders through conceptual tools to analyze the structure and function of organizations. Placements included the Port of Long Beach and The Hub LA.

Talar Alexanian

Associate, Southern California



With years of experience shaping higher education advocacy and policy, Talar is well-versed in crafting targeted, results-oriented strategies that advance issues and drive action. At Strategies 360, Talar uses her skills in stakeholder engagement, grassroots mobilization, government affairs, social media messaging and event management at the local, state and federal level to build meaningful outcomes for Strategies 360's clients.

Prior to consulting, Talar led the communications, advocacy and policy efforts of the University of California (UC) students. Her efforts resulted in state reinvestment of public dollars to both university systems and the first decrease in UC student tuition in nearly two decades. As a gubernatorial appointee on the California State University (CSU) Board of Trustees, Talar shaped policies for the largest four-year public university system in the U.S.

Talar earned her degree in Journalism, with an emphasis in Public Relations, and Political Science from California State University, Northridge. She is also a graduate of the Panetta Institute of Public Policy and the Coro Fellows Program in Public Affairs.

University of California Student Association | *Government Relations Director*

Implemented the legislative priorities and advocacy strategies of the 275,000 UC students on issues including tuition, financial aid and basic needs security. Organized UCSA's largest statewide student lobby conference and established the first-ever "UC Hill Day" in Washington D.C.

"Innovate x Water" Conference - Coro Southern California | *Program Manager*

Convened stakeholders and shaped programming on water sustainability, resilience and messaging to shift public awareness and behaviors.



**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
November 12, 2019**

Directors Present	District Staff Present	Absent
Chair, Carole Rogers, RN - <i>Telephonic</i> Vice-President Leticia De Lara Director Evett PerezGil Luciano Crespo, Community Member Thomas Smith, Community Member Thomas Thetford, Community Member Allen Howe, Community Member Christine Anderson, Alternate	Conrado E. Bárzaga, MD, Chief Executive Officer Chris Christensen, Chief Administration Officer Donna Craig, Chief Program Officer Alejandro Espinoza, Program Officer and Outreach Director Meghan Kane, Community Health Analyst Andrea S. Hayles, Clerk of the Board	Nicolas Behrman, Community Member

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	The meeting was called to order at 12:05 p.m. by Vice-President De Lara.	
II. Approval of Agenda	Vice-President De Lara asked for a motion to approve the agenda.	Moved and seconded by Director Thetford and Chair Rogers to approve the agenda. Motion passed unanimously.
III. Meeting Minutes 1. July 09, 2019	Vice-President De Lara asked for a motion to approve the October 9, 2019, minutes.	Moved and seconded by Director PerezGil and Chair Rogers to approve the October 9, 2019, meeting minutes. Motion passed. Abstain – Allen Howe
IV. Public Comment	No public comment	
V. Old Business		
1. Progress and Final Reports Update	Donna Craig, Chief Program Officer, explained that the progress and final reports are in the packet, and inquired on any questions of the committee.	
2. Community Health Needs Assessment Update	Conrado Bárzaga, MD, CEO, explained that three organizations have an interest in submitting a proposal to perform the needs assessment, and a webinar (bidder's conference) is	

**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
November 12, 2019**

3. Volunteer Community Members Responsibilities	Chair Rogers explained that the Volunteer Committee Members are advisory to the Board, detailing her confidence in the community members.	
VII. Committee Member Comments	None.	
V. Adjournment	Vice-President De Lara adjourned the meeting at 12:36 p.m.	Audio recording available on the website at http://dhcd.org/Agendas-and-Documents

ATTEST: _____
Carole Rogers, RN, Chair/Director
Program Committee

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board

DRAFT

Progress Reports			
Applicant	Staff Notes	Status	
CV Volunteers in Medicine #985: Improving Community Health Through Affordable & Accessible Healthcare Services	Grant term 4/1/19 – 3/31/20 Original Approved Amount: \$121,500 1 st progress report covering the time period from 4/1/19 – 9/30/19	Progress Outcomes: We have completed 547 individual contacts - medical and dental visits, diabetes education, diabetes case management, other case management, and nutritional consultations - of the projected 900 contacts for the entire grant period, or 61% of our service goal.	District
One Future Coachella Valley #994: Mental Health College and Career Pathway Development Initiative	Grant term 6/1/19 – 5/31/21 Original Approved Amount: \$700,000 1 st progress report covering the time period from 6/1/19 – 8/31/19	Progress Outcomes: Maureen Forman and Kim McNulty gave a presentation on Mindfully Resilient and shared all resources with 25 Elementary and Middle School counselors at Palm Springs Unified School District on September 25, 2019. A presentation for the PSUSD High School counseling staff is tentatively scheduled for November 20. - Kraig Johnson, Assistant Executive Director of Jewish Family Services presented the Mindfully Resilient resource suite to 60 attendees of the CV Resource Collaborative run by Molina During the 2019-20 academic year, OneFuture Coachella Valley (OFCV) selected and awarded four (4) students pursuing majors and/or careers in mental and behavioral health. All students (100%) completed a College & Career Navigator profile and are in the process of completing and submitting their College & Career Plan's for college. In addition, all scholarship recipients attended OFCV's student leadership conference and completed a one-on-one counseling	District

		<p>session, which included the review of their financial aid packages and class schedules. OFCV looks forward to providing an update on their academic progress in the coming months.</p> <p>Health Career Connection (HCC) 2019 summer interns and projects included, six that were laser focused on mental and behavioral health and 3 included family resiliency, homelessness, or food insecurity. All interns completed their internship and four (4) of five (5) leadership workshops.</p> <p><i>Describe any unexpected successes during this reporting period other than those originally planned:</i> We have experienced great initial support from community partners embracing the mental & behavioral health pathway mission through the Mindfully Resilient classroom presentations and engagement with local health academies; including immediate interest from CCHS HEAL academy. They have expressed interest in implementing a behavioral health focus in their academy this academic year.</p>	
Final Grant Reports			
Applicant	Staff Notes	5 things to be done differently	
Mizell Senior Center #938: Senior Falls Prevention Program 2017-2019	Grant term 8/1/17 – 7/31/19 Original Approved Amount: \$400,300 FINAL RESULTS TO BE ACHIEVED:	1. Increase communication across the Valley. Implement "road shows, clinics, expos, etc." 2. Enhance A Matter of Balance to include comprehensive services that identify	District

	<p>In our quest to eliminate older adult isolation, we achieved the specific benefits and tangible effects that we stated we would. Over the past two years, we had 11 West Valley Host Sites and 13 East Valley Host Sites instructing 80 courses, with 662 graduates total across the Coachella Valley. We recruited, interviewed and hired a Spanish speaking Master Trainer at the beginning of this reporting period. We recruited additional Host Sites focusing on lower income and Spanish speaking participants. These Host Sites are Desert Hot Springs Senior Center, Coachella Senior Center, James 'O Jessie Highland Unity Center, Desert Oasis Healthcare Indio, Mecca Community Center, North Shore Yacht Club and the Thermal Community Center.</p> <p>We established the Coachella Valley Falls Prevention Collaborative with 16-20 members attending quarterly meetings. This Collaborative consists of professionals from senior centers, medical professionals, certified coaches and AMOB graduates.</p> <p>We facilitated seven Coach Trainings (October 2017, February 2018, April 2018, August 2018, November 2018, February 2019 and June 2019) over this two-year period, generating 58 Certified Coaches. The total number of Certified Coaches trained over the last</p>	<p>participant's risk factors (Chronic Diseases) for falls. Services will include nutrition education, clinical screenings such as blood pressure readings, vision and glucose checks performed by an LVN and medication management performed by a registered pharmacist. Subsequent referrals to participant's Primary Care Physicians, Specialists, Support Groups, Clinics/Assessments and AMOB, will be incorporated as necessary.</p> <ol style="list-style-type: none"> 3. Market more with Primary Care Physicians who specialize in older adults across the Valley. 4. Implement and facilitate a Medication Management Assessment tool that will identify contra indications of medications that may potentially cause falling in older adults. 5. Create stipend budget for Coaches instructing AMOB - \$200 per course, which would help to increase their overall commitment. 6. Expand our marketing/communication budget. 7. Coaches will be asked to commit more fully to their graduates by doing "follow-up" with them 30 days after graduation. 8. Extend AMOB by 2 sessions at beginning and end. This will allow for the additional pieces we are considering for the enhancement phase of AMOB. 9. Create a "referral directory" for all participants – various support systems across the Valley. 10. Enhance overall Host Site recognition. Cultivate partnerships to make stronger 	
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	<p>4 years is 180, with approximately 30 coaches who currently instruct and are considered our "roamer coaches." The remaining 150 communicate the benefits of AMOB across the Valley, and often refer participants back to the program! Communication is so very important.</p> <p>Three months after each AMOB course is completed, our team telephones graduates and asks a series of questions for a follow-up survey. This reporting period we completed 177 follow-up surveys.</p> <p>IMPEDIMENTS TO FINAL RESULTS:</p> <ol style="list-style-type: none"> 1. We achieved 95% of stated benefits and effects. The area we fell short in was number of graduates. The goal for two years was 650 district graduates and we graduated 462 from the West Valley. Since we were facilitating AMOB courses in the East Valley as well, with Regional Access Project's support, we would like to acknowledge that 200 East Valley residents graduated. 2. We fell short on Valley hospital support, which lessened our graduate number substantially. Eisenhower did not participate during this reporting period. They cited staffing issues and management changes as reasons for not continuing to be a Host Site. After four years, we finally identified the department at Desert Regional, The Institute of Clinical Orthopedics and 	<p>connections and identify "hubs and premier" sites.</p>	
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	<p>Neurosciences (ICON), to host AMOB with two courses.</p> <p>3. Lack of coach commitment instructing a 16-hour course over a four-week period. Difficulty retaining coaches as "volunteers."</p> <p>4. Lack of coach commitment for follow-up with their AMOB graduates.</p> <p>5. Difficulty to find West Valley Host Sites with Spanish speaking participants.</p> <p>6. Program communication overall. Always learning about what communication vehicle is successful and what is not.</p>		
<p>Arrowhead Neuroscience Foundation #876 NeuroInterventional & NeuroCritical Care Fellowship Program</p>	<p>Grant term (including two no-cost grant extensions): July 1, 2015 – June 30, 2019 Original Approved Amount: \$373,540</p> <p>FINAL RESULTS:</p> <p>1) TIA/Stroke clinic is now in place at ICON</p> <p>2) Comprehensive Stroke Center accreditation achieved</p> <p>3) All Neurology residents moved on to fellowship training; no neurosurgery resident expected to graduate till July 2021</p> <p>4) We have recruited two of our NIR/NICU fellows (Drs. Cortez and Dr. Tayag) for permanent positions at DRMC; one other fellow, Dr. Sodhi, stayed for one year to serve the DHCD-served population</p>	<p>1) have the hospital more engaged in supporting the fellowship financially, vs. simply benefiting from it</p> <p>2) have the fellowship grounded more in the Graduate Medical Education office of DRMC--the fact that we had four GME directors in last 4 years, and associated lack of institutional memory, has made this task difficult.</p> <p>3) We need a stronger linkage between education and clinical practice at DRMC, with the understanding that a "for profit" mentality cannot be applied to these when they are interconnected. For example, the hospital has reduced the number of neurohospitalists working on any day, presumably as a cost-saving measure. This reduction is detrimental to stroke program overall.</p> <p>4) we under-estimated the difficulty in fund-raising from non-DHCD sources, including the hospital. It would have been</p>	<p>District</p>

	<ol style="list-style-type: none"> 1) CSC certification achieved and renewed twice. 2) Public education sessions presented. 3) Two of our NIR/NICU fellows (Drs. Cortez and Dr. Tayag) recruited for permanent positions at DRMC; one other fellow, Dr. Sodhi, stayed for one year to serve the DHCD-served population 4) Multiple scientific papers published, and presentations given 5) Multiple stroke symposia hosted by our stroke team 6) Done 7) DRMC represented in REMSA, regional EMS agency dealing with stroke 	<p>useful to have the DHCD to link their support with future hospital commitment (which has evaporated with multiple CEO's over the duration of this grant).</p> <p>5) seek longer-term financial support</p>	
<p>Desert Cancer Foundation #960: Patient Assistance & Suzanne Jackson Breast Cancer Fund</p>	<p>Grant term 3/1/18 – 8/31/19 Original Approved Amount: \$200,000</p> <p>FINAL RESULTS ACHIEVED: This grant helped Desert Cancer Foundation serve 204 Desert Healthcare District Residents with the cost of their cancer care and patient navigation during the reporting period. The dollars to help pay for cancer treatment services under the Patient Assistance Program was allocated as \$163,230 - DCF paid a total of \$263,509.27 for 2,155 cancer treatment services for DHCD residents. The billed value of these</p>	<ol style="list-style-type: none"> 1. Request funding to support our Patient Assistance Program, as we have incorporated all of our services into this program moving forward. 2. Request the grant timeline to be of one year but allow 3-6 months to submit a final report (due to external medical billing practices). 3. Attend DHCD meetings to strengthen relationship and communication. 4. Expand DHCD grant funding across the Coachella Valley in each district. 5. Invite DHCD representatives to attend a Patient Assistance Meeting. 	<p>District</p>

	<p>services was \$5,395,537.05. In addition, the labor allocations of \$35,000 further enabled DCF to assist our clients. All grant funds were expended in its entirety, averaging approximately 126 patients paid for by the Patient Assistance funding, and an estimated 1338 services covered for those patients. Additional funding to meet the needs of the DHCD residents was funded by Desert Cancer Foundation and other sources.</p>		
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FUNDING REQUESTS UPDATE

Information only – status update of new letters of interest and pending applications

Letters of Interest			
Agency	Staff Notes	Status & Staff Notes	Funding Allocation
Coachella Parks and Recreation Foundation	LOI – Stage 1 received requesting \$120,578 to fund the purchase of 2 outdoor fitness gyms; 2 shade structures; and 8 drinking and water bottle-refilling stations at 2 public parks.	The request, if approved, will not begin until February 2020. This is contingent on Coachella being awarded grant funding under the Statewide Park Program (Prop. 68). <i>A site visit was conducted on October 24, 2019. Stage 2 – the Application – will be generated if and when Prop 68 funding is awarded.</i>	Foundation
Riverside Community Housing Corporation	LOI – Stage received requesting \$2,103,822 as seed money as the organization applies for, and obtains, additional funding. The request, specific to the Oasis Mobile Home Park in Thermal, includes the purchase of 22 mobile home units; testing of the surrendered dilapidated, unsafe mobile home for lead and asbestos; demolition of the surrendered mobile home; and staffing costs. The requested funding would be utilized to initiate relocation of families to the Mountain View Estates mobile home park and into a new mobile home.	Staff will not generate Stage 2- the grant application - and will notify Riverside Community Housing Corporation a denial of the LOI request for funds as there are funds available through AB 2056 for the purpose specific to the request: to purchase/renovate/remove mobile home units. <i>Update from October 9th Program Committee meeting: Monica Telles, Sr. Development Specialist, Riverside County Economic Development Agency, was present at the meeting. She explained that the mobile homes are on tribal land; thus, there are some grants Oasis does not qualify to apply for such as AB 2056 state funding.</i>	

	<p>Assembly Bill 2056 (signed into law 9/26/18) authorizes the Department of Housing Community Development to make loans from the Mobile Home Parke Rehabilitation and Purchase Fund and would authorize the department to make loans from the fund to a qualified nonprofit housing sponsor or a local public entity <i>to acquire or rehabilitate a mobile home park</i> and authorize the department to make loans or grants from the fund to a resident organization, nonprofit housing sponsor, or public local entity <i>to assist park residents with needed repairs or accessibility upgrades.</i></p>	<p>Financial concerns: The Chief Administration Officer's financial review: the current ratio is 1.7:1 (preferred to see 2:1). Concerns that the organization has a net loss reducing its net position by (\$1.1M) and (\$714K) 2018 and 2019 respectively.</p> <p>Ms. Telles also commented on the District's Chief Administration Officer's financial review and stated that the net loss was on paper only.</p>	
<p>Coachella Valley Association of Governments (CVAG)</p>	<p>LOI – Stage 1 – received to begin the process of finalizing a grant contract related to the executed MOU dated September 16, 2013 for \$10 million towards the CV Link project</p>	<p>Stage 2 – the Application - of the process has been generated. This is a necessary step as it will ascertain the deliverables and a payment schedule when the contract is written.</p> <p>Next step: District and CVAG staffs are working cooperatively on a draft grant contract consistent with the 2013 MOU between the District and CVAG.</p>	<p>District</p>
<p>Mizell Senior Center</p>	<p>LOI – Stage 1 – received requesting \$450,000 for two years towards the continuation of the Matter of Balance Falls Prevention program, expanding the program to include the East Valley (Phase 3)</p>	<p>DHCD has been sustaining this program since 2015, starting with funding for the start up as a pilot program. Total dollars granted to the Matter of Balance program equals \$808,450. With this request, total funding by DHCD would equal \$1,125,450.</p>	

		Update: in emails received from the Program Manager of the MOB and the Executive Director stated respectively, that the program manager was laid off, as well as the Master Trainer, in that “lack of funding” was the reason cited. The ED indicated that Mizell intends to move forward with the MOB program but not without funding renewal from the Desert Healthcare District. If funding was to be re-established the Program Manager and Master Trainer would be brought back onboard.	
Desert Ability Center MINI GRANT	LOI – Stage 1 received requesting \$5,000 towards the acquisition of adaptive equipment including, but not limited to, trainers upon which handcycles are placed, handcycles, wheelchair accessible rowing machines and strength trainers. Residents with spinal cord injuries, other neurological disorders and amputations will have the ability to train at Kirkfit. Initial training offerings will include indoor cycling, rowing and strength training.	Waiting for project budget to be submitted before generating Stage 2, the application.	District
Lift To Rise	Stage 1 – LOI received to reflect the Health CAN & Healthy Eating/Active Living health outcomes	Stage 2 – the application - generated	District
Desert AIDS Project	Stage 1- LOI received requesting \$188,419 towards Homeless Testing Outreach for HIV/HCV/STI. This is a pilot program, now through October, at Well in the Desert and PS Library.	Advised DAP to review CVAG’s RFP for CV Housing First (specifically for the Focused Street Outreach service goal), which DAP has done and have determined DAP does not have the necessary resources to apply. Staff feels this is a siloed and	District

	<p>Letter of Interest withdrawn by applicant. See notes to the right.</p>	<p>duplicative efforts, being that numerous agencies have established outreach teams and programs with the knowledge of locations and encampments where homeless individuals gather as well as developing case management wraparound services with access to medical homes.</p> <p>Staff will be a reader of the CVAG RFP proposals and will review those that have submitted for Focused Street Outreach to determine if DAP could align their program with those organizations.</p> <p>UPDATE: In an email response to DAP staff regarding the status of the LOI - <i>The submitted LOI has been under review with staff and as you read in our Proposals Under Development, we are evaluating DAP's program as a component of one or more of the CVAG RFP proposals. In addition, there are many organizations with established focused outreach programs that could be considered as a collaborative partner in your efforts – Well In The Desert; Martha's Village; Path of Life; Coachella Valley Rescue Mission; The City of Palm Springs Mental Health Crisis teams; UCR School of Medicine's Street Medicine program, & CV Volunteers in Medicine's street medicine program. All of these organizations have the knowledge of all of the homeless locations and encampments and offer complete</i></p>	
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		<p><i>wraparound services with access to housing.</i></p> <p><i>Staff is recommending that DAP reach out to any or all of these organizations for a partnership opportunity rather than an individual/siloed effort. The District's matching funds to CV Housing First is a collective model that includes and facilitates complete services for the homeless.</i></p> <p><i>Further to the Update:</i> in an email from DAP dated 10/28/19 it was requested to withdraw the current LOI as they are taking DHCD staff's recommendation to develop an approach to collaborated with an appropriate partner for the homeless HIV/AIDS testing program.</p>	
Hidden Harvest	LOI received requesting \$50,000 for low-income senior markets.	Grant request on hold (per grantee's decision) until more current audited financials are completed.	District – could increase grant request to cover senior markets in East Valley through Foundation
Steinway Society of Riverside County	LOI received requesting \$106,500 over three years to expand their program of music education, musical experiences, and instruction in musical instruments to school children in the CV in partnership with the school districts.	<i>Audited financials received are dated June 2015 and was an incomplete audit report. A more current audited financial statement was requested, and the organization reported that budgetary constraints do not support having audited financials annually. Staff suggested contacting Regional Access Project</i>	

		Foundation's Center for Nonprofit Advancement for assistance.	
Loma Linda University Children's Hospital	LOI received requesting \$519,472 to financially sustain the Pediatric Clinic in Indio - \$400,000 for medical staff and \$119,472 for requisite equipment.	<p>Staff concerns and observations: LLU Indio Clinic does not anticipate revenue stability until year 4 of operation, which will be the result of patient volumes. Patient volumes are at 1,500 annually now but need to reach 18,000 annual visits. Operations show a current \$886,397 annual deficit.</p> <p>Chief Administration Officer's review of the audited financials: The audit looked okay for June 30, 2018. It is concerning the operations of the Indio Clinic show a deficit of almost \$900,000.</p> <p>The LLU SACHS (Social Action Corp Health System) Indio Pediatric Clinic is a Federally Qualified Health Center (FQHC), receiving federal HRSA funding.</p> <p>Next step: Site visit</p>	
Pending Applications			
Grantee	Staff Notes	Status	



Date: November 26, 2019

To: Board of Directors

Subject: Grant # 1021 Neuro Vitality Center (formerly Stroke Recovery Center)

Grant Request: Community Based Adult Services (CBAS) Program

Amount Requested: \$143,787.00

Project Period: 12/1/2019 to 5/31/2020

Project Description and Use of District Funds:

- The demographics of the Coachella Valley aging society speak to the continued need to expand services at Neuro Vitality Center. According to the Health Assessment and Research for Communities special report Senior Health in the Coachella Valley, November 2014, data collection estimated "seniors" or adults age 55 and over make up 48.2% of the adult population in the Valley... and the needs of those with chronic illness, mental health concerns and transportation concerns must be addressed.
- The CBAS program is designed to help those who are diagnosed with early stages of Alzheimer's/Dementia or with other chronic illnesses that may benefit from stimulation, education, and counseling along with physical activities. The intended outcome is for the CLIENT to stay engaged and strive for improvement of functions that interfere with the activities of daily living. This offers a level of social care that is not otherwise available in the area providing the opportunity for growth for the patient and respite for the families and caregivers.
- The District project request will cover six-months of expense for new staff required by the State for Adult Day Care Center state licensure and certification for the CBAS program to enable billing and insurance reimbursement. The State dictates patient to staff ratios to allow expense and revenue budget projections. Staff and contract professionals have been hired and trained and are in place for completion of licensure and certification by the end of October 2019.



Collaborative Project:

- This is a collaborative effort with the Regional Access Project Foundation. While the District is being asked to support new staffing and consultant’s start-up costs, RAP Foundation has been requested to fund the gap in the start-up costs (\$95,737).
- At their October 23, 2019 Board of Directors meeting, the RAP Foundation board approved the requested amount of \$95,737 for the six months start-up costs contingent on Neurovitality Center receiving the DHCD funds requested and the required Licensing and Certification.

UPDATE on the required Licensing and Certification:

- Effective Wednesday, October 23, 2019, per the California Department of Public Health, the Neurovitality Center is an official licensed Adult Day Care Provider – primarily focused on the facility.
- On Wednesday, October 30, 2019 Neurovitality Center updated via email “smooth sailing to certification by the Department of Aging” for the CBAS – Community Based Adult Services – certification. Certification is focused on programs and patient care and Neurovitality Center’s expertise.
- The final phase is receiving the provider contracts from IEHP (Inland Empire Health Plan)

Strategic Plan Alignment: Healthy Eating, Active Living

Geographic Area(s) Served: All District Areas

Action by Program Committee:

- Full recommendation and forward to the Board for consideration with the Committee’s recommendation that a grant amount of \$143,787.00 be approved.
- Recommendation with modifications
- Deny

2019 Grant Request Summary

Neuro Vitality Center (formerly Stroke Recovery Center), Grant #1021

About the Organization

Neuro Vitality Center (formerly Stroke Recovery Center)
 2800 E. Alejo Rd.
 Palm Springs, CA 92262
 Tel: (760) 323-7676
 Fax: (760) 325-8026
 www.strokerecoverycenter.org

Organization Type:

501(c)(3) \Medical

Primary Contact:

Jonathan Caldwell
 Tel: (760) 323-7676 ext. 104
 Fax: (760) 325-8026
 Jcaldwell@neurovitalitycenter.org

Historical (approved Requests)

Grant Year	Project Title	Grant Amount	Type	Disposition Date	Fund
1998	Recreational Therapist Salary	\$50,000	Grant	3/30/1999	
1998	Recreational Therapist Salary	\$25,000	Grant	4/27/1999	
1999	Theater Video Equipment	\$3,000	Grant	8/24/1999	
1999	Physical Therapy Equipment	\$3,000	Grant	10/26/1999	
1999	Computer Y2K Upgrade	\$18,383	Grant	10/26/1999	
1999	Recreational Therapist Salary	\$0	Grant	1/3/2000	
2001	Adopt-A-Client	\$0	Grant	11/27/2001	
2002	Theater Remodel	\$0	Grant	10/29/2002	
2003	Feeding a Healthy Heart	\$26,000	Grant	6/15/2004	Grant budget
2004	repair air conditioning	\$5,000	Grant	8/17/2004	Grant budget

2006	Organizational Development	\$158,150	Grant	11/28/2006	
2008	Organizational development (continued)	\$142,464	Grant	7/9/2008	Grant budget
2008	Food Program	\$5,000	Food Assistance	5/28/2009	
2009	Food Program "Feed a Healthy Heart"	\$5,000	Food Assistance	11/16/2009	Grant budget
2009	Core operating support of stroke rehabilitation program	\$148,700	Improving Lives	11/24/2009	Grant budget
2009	Food Program	\$5,000	Food Assistance	4/12/2010	Grant budget
2010	Food Program	\$5,000	Food Assistance	8/31/2010	Grant budget
2010	Meal Program	\$5,000	Food Assistance	12/1/2010	Grant budget
2010	Core Operating Support	\$369,066	Achievement Building	12/21/2010	Grant budget
2010	Meal Program	\$5,000	Food Assistance	3/1/2011	Grant budget
2010	Meal On Wheels "MOW" Kitchen Equipment	\$10,772	Achievement Building	6/28/2011	Grant budget
2011	Heart Healthy Meal Program	\$5,000	Food Assistance	7/12/2011	Grant budget
2011	Heart Healthy Meal Program	\$15,000	Food Assistance	10/14/2011	Grant budget
2012	Core Program Operations	\$242,122	Grant	3/12/2013	Grant budget
2014	Building a Service Delivery Model for	\$202,516	Grant	10/28/2014	Grant budget

	Community-Based Neurological Services				
2014	Support for building a service delivery model.	\$42,900	Grant	12/16/2014	Grant budget
2016	Core Program Operations	\$261,340	Achievement Building	7/26/2016	Grant budget

Proposal

Project Title: Community Based Adult Services (CBAS) Program

Total Project Budget: \$907,769

Requested Amount: \$143,787

Length of Project: 6 months

Start Date: 12/1/2019

End Date: 5/31/2020

Background:

Background

The Community Based Adult Services (CBAS) program is a MediCal benefit from the State offered to frail adults requiring medical services as prescribed by a physician, who are at risk for institutionalization, and who indicate a reasonable expectation of maintaining or improving current function. The CBAS program includes the medical services of nursing, social work including home visits, and prescribed activities building on an individualized care plan. This individual plan is created and monitored by a full complement of professional medical, behavioral and nutritional consultants listed below who work together to maximize the patient's health and well-being.

Community Health Focus Area

Healthy Eating, Active Living

Community Need:

The Community Based Adult Services (CBAS) program is a State Certified Program offered to frail adults requiring rehabilitative services as prescribed by a physician, who are at risk for institutionalization, and who indicate a reasonable expectation of maintaining or improving current function. The CBAS program includes the medical services of nursing, social work including home visits, and prescribed activities building on an individualized care plan. This individual plan is created and monitored by a full complement of professional medical, behavioral and nutritional consultants listed below who work together to maximize the patient's health and well-being. The Adult Day Health Care (ADHC) program is designed to help those who are diagnosed with early stages of Alzheimer's/Dementia or with other chronic illnesses that may benefit from stimulation, education, and counseling along with physical activities. The intended outcome is for the patient to stay engaged and strive for improvement of functions that interfere with the activities of daily living. This offers a level of social care that is not otherwise available in the area providing the opportunity for growth for the patient and respite for the families and caregivers. The project request will cover a year of expense for new staff required by the State for Adult Day Care Center state licensure and certification for the CBAS program to

enable billing and insurance reimbursement. Patient to staff ratios are dictated by the State and are built into the budgets and must be in place for licensure and certification to be completed.

There is a great need for an ADHC/CBAS center in the Palm Springs area. Currently there is no ADHC/CBAS programs within our identified area. According to the U.S. Census, in the Palm Springs City alone, there are approximately 14,594 persons over the age of 65. According to the research and Analytic Division of the Department of Health Care Services, 36% of persons in the country receive Medi-Cal. If we apply this percentage to the number of persons over age 65 in Palm Springs, we get approximately 5,254 who are over the age 65 who also receive Medi-Cal. According to the Center for Disease Control, approximately 67% of persons over the age of 65 in the United States have two or more chronic conditions, also known as multi-morbidity, which is associated with elevated risk of death, disability, poor functional status, poor quality of life and adverse drug effects, these people will most likely meet eligibility requirements for the CBAS program. Apply this number to the above number approximately 3,520 persons in Palm Springs are likely eligible for Adult Day Health Care/CBAS services. Primary medical and mental health conditions of clients will be Stroke, Parkinson's Disease, Traumatic Brain Injury, Alzheimer's Disease and other dementias, depression and anxiety resulting from these chronic conditions. The CBAS clients will be, by definition, a low economic status. Some socio economic needs may relate to needing a lower rate for their utility bills, accessing needed health care and supports, needing assistance with transportation, needing assistance with accessing low income housing, needing translation services, needing assistance accessing food stamps/food banks, needing support accessing community resources, needing support with access to free legal aid, and needing support with accessing In-Home Supportive Services. The center will have clearly marked program areas and rooms, to support the orientation of all clients.

Program Area

Direct Services\Other ;Direct Services\Disabled Services

Project Description:

The demographics of the Coachella Valley aging society speak to the continued need to expand services at Neuro Vitality Center. According to the Health Assessment and Research for Communities special report Senior Health in the Coachella Valley, November 2014, data collection estimated "seniors" or adults age 55 and over make up 48.2% of the adult population in the Valley... and the needs of those with chronic illness, mental health concerns and transportation concerns must be addressed. The CBAS program is designed to help those who are diagnosed with early stages of Alzheimer's/Dementia or with other chronic illnesses that may benefit from stimulation, education, and counseling along with physical activities. The intended outcome is for the CLIENT to stay engaged and strive for improvement of functions that interfere with the activities of daily living. This offers a level of social care that is not otherwise available in the area providing the opportunity for growth for the patient and respite for the families and caregivers. The District project request will cover six-months of expense for new staff required by the State for Adult Day Care Center state licensure and certification for the CBAS program to enable billing and insurance reimbursement. The State dictates patient to staff ratios to allow expense and revenue budget projections. Staff and contract professionals have been hired and trained and are in place for completion of licensure and certification by the end of October 2019.

Proposed Program / Project Evaluation Plan

In order to operate a CBAS program ongoing review of services and procedures in the center, the center will organize a committee for utilization review that will meet every three months. Membership in the Utilization Review Committee (URC) shall include, but is not limited to a representative from Neuro Vitality Center program and a minimum of two professional personnel, such as a physician, licensed mental health provider, nurse, Social Worker,

occupational, physical or speech therapist who are not employed by Neuro Vitality Center program. The Utilization Review Committee shall review cases and make recommendations to the center in order to provide more effective use of and more appropriate services. The committee may also identify trends, and specific concerns within the health charts. This information will be addressed by the Program Director and Administrator and changes will be made, to decrease the chances of the problem occurring again, or to create more appropriate and/or efficient services. Records to be reviewed for the URC shall be chosen randomly and staff may request a case review. The Program Director shall ensure that all items of concern discovered by the utilization review meetings have been addressed and rectified if needed, by following-up with appropriate staff, meeting with the administrator and/or making policy changes if necessary. The corrections made shall be documented by the appropriate staff member(s) and placed with the copies of the committee reports for that quarter and will be available to the next utilization review committee to determine if they have been rectified. The California Department of Aging and the California Department of Health Services have the right to audit and otherwise evaluate the quality and appropriateness of care being rendered to clients served by the center. This may include a review of the findings, responses and actions found by the URC.

Program/Project Goals and Evaluation

<p>Goal #1: The potential CLIENT must meet minimum eligibility requirements, clients who are initially, found to be or become ineligible to attend the Neuro Vitality Center shall be provided with referrals and resources to other Neuro Vitality Center services and/or other community resources. The Multidisciplinary team consists of at least a physician, nurse, social worker, CLIENT and/or his or her representative, Activity Director, occupational therapist and a physical therapist. The physician may be either a paid staff member of Neuro Vitality Center or the CLIENT’s physician. When indicated by the needs of the CLIENT, a psychiatrist, psychologist, psychiatric social worker, speech therapist and Dietician shall be included as members of the assessment team and assist in the assessment. The initial eligibility determination for the CBAS benefit will be performed through a face to face review by a registered nurse with level of care determination experience, using a standardized tool and protocol approved by the State Medicaid Agency. The CBAS program shall be available to all beneficiaries who meet eligibility requirements who meet medical necessity criteria, based on medical necessity criteria. The goal is to provide assessments on 300 eligible CLIENT's within the first 6-months.</p>	<p>Evaluation #1: In early November, negotiations with major MediCal payors for the CBAS program will undergo fee-for-service contract negotiations to initiate CLIENT referrals and programs assessments. The center shall endeavor to ensure that an initial CLIENT assessment occurs over the course of three days. All assessments must be completed within thirty days of first day of assessment. CLIENT’s plans of care shall be developed collaboratively with the CLIENT and/or his or her representative as needed and desired. The plan of care shall indicate and honor a CLIENT’s strength, abilities and preferences. The CLIENT’s needs/goals/desired outcomes shall be elicited to ensure the care plan is CLIENT driven. These shall be documented and shared with each discipline to support an integrated and cohesive, person-centered plan of care that fully supports the CLIENT to reach his or her goals. “Needs/Goals/Desired Outcomes Worksheet” (NGDO Worksheet). Every care plan written will relate to one of the goal(s)/need(s) identified on the NGDO worksheet by the CLIENT. Each member of the multidisciplinary team involved in the care planning process for the CLIENT will complete a six-month reassessment of the CLIENT. All staff & consultants are involved in the CLIENT’s plan of care.</p>
<p>Goal #2: The individual plan of care (IPC) means a written plan designed to provide a CLIENT of an ADHC with appropriate treatment in accordance with the assessed needs of the CLIENT and shall include and integrate the</p>	<p>Evaluation #2: The IPC shall be based on a person-centered planning process, developed by the multidisciplinary team, including the CLIENT and/or his or her representative. Once the IPC is completed, the multidisciplinary team</p>

<p>CLIENT and/or representative's input, including the CLIENT's choice, abilities, preferences, needs, goals and desired outcomes in regard to the delivery of services. The IPC is submitted as supporting documentation for level of service determination with the Treatment Authorization Request. The IPC shall be completed prior to admission to the center and should not be completed more than thirty-days prior to admission to the center. The IPC shall be based on a person-centered planning process, developed by the multidisciplinary team, including the CLIENT and/or his or her representative. The IPC shall be based on the assessment or reassessment conducted no more than 30 days prior to the start date of the IPC. If the CBAS CLIENT is a Medi-Cal managed care member and the CLIENT's plan requires more than 30 days prior to the IPC effective date, the center must identify any change in condition requiring IPC amendment prior to implementation and amend it accordingly if a change to the IPC is needed. The IPC shall be based on the multidisciplinary team's assessments of the CLIENT and shall include and integrate the CLIENT and/or representative's input, including the CLIENT's choices, abilities and preferences, needs, goals and desired outcomes, in regard to the delivery of services. The IPC must be completed within 30 days of the CLIENT's first day of assessment. Goal is to admit 50 eligible CLIENT's into the the CBAS program within the first 6-months.</p>	<p>shall meet to review the care plan together. The CLIENT and/or his or her representative will be invited and encouraged to participate in this meeting. The IPC shall be signed by either the center's staff physician or the CLIENT's personal health care provider. Personal health care provider may include a physician assistant or nurse practitioner within their scope of practice under the appropriate supervision of the physician.</p>
<p>Goal #3: To provide a licensed and certified CBAS day program of therapeutic, social and health activities and services provided to persons 18 years or older or other adults with functional impairments, either physical or mental, for the purpose of restoring or maintaining optimal capacity for self-care. The expansion of services already offered at the Center will include more medical services, including skilled nursing as well as care management with social work and therapeutic recreation departments, and better address CLIENT functional abilities and include Physical Therapy, Speech Therapy, Occupational Therapy and dietary health support for CLIENTs. Expanding services to include CBAS will best allow the Center to achieve these goals. Program personnel shall be competent to provide the services necessary to meet</p>	<p>Evaluation #3: Neuro Vitality Center shall maintain a complete standard health record for each CLIENT in the program. The health record shall be available to staff during the program day. All services and activities required to be provided by the IPC, shall be documented. In order to maintain confidentiality and safety of the CLIENT health records, they shall be stored in a locking cabinet to protect against loss, destruction and unauthorized use. The center will have extensive HIPAA policies and procedures in place and will provide ongoing training and supervision of staff in both maintaining protected health information (PHI) within the center, ePHI for PHI transmission and participant confidentiality. The center shall perform risk analysis, as required by the Administrative Safeguard provisions in the Security rule. All information, records, data and</p>

<p>individual CLIENT's needs, and shall at all times, be employed in numbers necessary to meet such needs. Staff of Neuro Vitality Center shall perform a walk-through of center and the outside grounds three times per day to ensure that all clients are safe and within the designated program areas and to ensure that the center is clean and well maintained. The center shall be open to clients for no less than six-hours and no more than 12 during each calendar day of operation, the center shall provide no less than four hours of service per day per CLIENT not including transportation. Neuro Vitality Center will be open to serve clients from 8 am to 2:30 pm daily, 5 days per week, Monday through Friday. The center will be open from 7:30 am through 3:30 pm 5 days per week, Monday through Friday. General centers visitors, those who are not visiting a specific CLIENT or coming for a "guest day" may visit the center with approval from the Program Director or administrator.</p>	<p>data elements collected and maintained for the operation of the center and pertaining to participants shall be protected from unauthorized disclosure in accordance with all laws and regulations.</p>
<p>Goal #4: The center will provide a diet that meets the National Research Council's recommended Dietary Allowance. During the assessment procedure, the CLIENT's diet needs/preferences/food allergies will be obtained both from the physician and from the CLIENT and/or CLIENT's representative Clients who have been prescribed a special diet by their physician, who have food preferences and/or allergies (orders will be reviewed every 90 days) will be offered to the CLIENT. The meals and menus will also meet the CLIENT's cultural and religious needs, desires and preferences. A CLIENT in the center for less than eight hours shall be provided meals and snacks so that no more than three and a half hours elapse between food service. Goal is to provide 32,760 meals/snacks within the first 6-months.</p>	<p>Evaluation #4: The center RN, in conjunction with the consultant Dietician shall oversee the day to day running of the center's nutrition program. The RN is responsible for the operation of food services at Neuro Vitality Center. Special diet requirements, as per physician orders are provided for all clients. The center RN shall supervise the distribution of meals received to ensure each CLIENT receives the proper foods, including special/therapeutic diets, foods free of the individual CLIENT's allergies and/or modified texture foods. The Dietician shall approve all menus based on the nutritional requirements of the clients and any special diet requirements.</p>
<p>Goal #5: Transportation services may be arranged for clients by the Center staff. The Center shall maximize the use of various types of transportation services available in the community to achieve the most appropriate means of transportation for the clients to facilitate regular attendance and prompt arrival and departure. The Multidisciplinary team/ Transportation manager with the CLIENT/representative input shall develop a plan for transporting the CLIENT to and from center. This plan shall be placed on the IPC. Transportation to and from place of pick-up and</p>	<p>Evaluation #5: The center is responsible for providing transportation both to and from the center on a daily basis. This may be achieved by arranging for family conveyance, by using public transport, by using Sundial door to door service or by providing transportation using the center's own van. All vehicles shall be equipped with a mobile phone to communicate with emergency personnel or center personnel as needed and required. Reporting and payment for services for Sundial will be on a monthly basis. The Center maintains one van for those who may need extra care. The van is properly maintained,</p>

<p>the center is scheduled to ensure that CLIENT one-way transit time does not exceed one hour where possible. In order to ensure that clients are picked up in a timely fashion, and the most efficient route is utilized, center drivers will follow the routes developed by the transportation manager. Routes shall be developed to help ensure that no CLIENT is in the vehicle for more than one hour.</p>	<p>licensed and inspected to ensure the safety and comfort of the passengers. If using the Center van, routes shall be plotted by the transportation manager each afternoon before the next program day, Transit time is documented by the drivers on the "Transportation Record" which records time of pick-up and time of arrival both to the center and place of residence. The time of arrival at the center will coincide with the daily attendance "Check-In" sheet.</p>
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Participants:

Population Served

Disabled

Geographical Area Served

All District Areas

Age Group

(65+) Seniors

Number Served Per Age Group

0-5: 0

6-17: 0

18-24: 0

25-64: 0

65 or more: 50

Total:

Participant Community

As of early November 2019, the Neuro Vitality Center will be licensed as an Adult Day Health Care Center by the California Department of Health Care Services and Certified by the Department of Aging as a CBAS Program. This program expansion underway at Neuro Vitality Center will provide greater access to long-term care services for frail elderly persons or adults with disabilities to help all those in need restore or maintain optimal capacity for self-care and delay or prevent inappropriate or personally undesirable institutionalization. (<http://www.aging.ca.gov/Programs/#CBAS>)

Organizational Capacity and Sustainability

Organizational Capacity

ADHC/CBAS programs will be provided at our facility that is owned by our non-profit organization corporation and where we currently serve clients. Leadership approved facility renovations to ensure the center would meet regulatory requirements and is comfortable and easy for clients to maneuver from one area to another. Specific attention has been paid to handling the needs of Dementia patients to reduce anxiety and prevent any wandering problems. Renovations are complete and the facility will be licensed for a maximum of 200 participants per day. The approximate square feet of space staff will be using for the ADHC/CBAS program is 18,000 square feet. All program required staff and contract professionals have been hired and undergone program specific training to provide the services necessary to meet the initial 40 individual CLIENT's needs based on the State requirements, and shall at all times, be employed in numbers necessary to meet dictated staffing ratios.

Organizational Sustainability:

Sustainability of the Center is based on the strategic attraction of a payor mix that will generate predictable, negotiated revenue mixed with fee-for-service programming primarily for Dementia and program revenue for specific Stroke and Parkinson's rehabilitation services. The CBAS program is a MediCal per diem program paid by IEHP or Molina. Demand for this service from these two payors supports the projection of 70% of the total census. Fee-for-service payment for ADHC services is projected at 20% and the current stroke and PD base is projected at 10% of total census. The CBAS program projections indicate a significant profit that will allow the Center to continue the low cost programs for those not covered by IEHP or Molina. The future strategic plans retain flexibility to take this into consideration. Over time, the percentage of CBAS patients will grow to 80% and 90%. Additional programs and services will be based on revenue potential and funds will continue to be raised to support those who are unable to afford the services. Excess funds will be allocated to medical service development and research into improving neurological function.

Partnerships:**Key Partners:**

The center has had a long-standing relationship with Inland Empire Health Plan (IEHP) who are the major payor for the CBAS program. Molina Health is also a payor who has expressed interest in and has supported our stroke efforts in the past. These two organizations are the only payors for CBAS currently however, the waiver granting this right ends in 2020 and there may be more payors who become eligible. The Center has been supported by SCAN, by Kaiser and by Anthem each of who have expressed interest in the CBAS program. Other payors are the Veteran's administration and long-term care insurance. Partnership relationships are being developed with the Alzheimer's Association and the CA Association of Day Care Center along with the Office on Aging- Riverside and Department of Aging at the State level. Among local sources of collaboration are the few services for Alzheimer's and Dementia such as Vista Cove and numerous assisted living facilities who can benefit from day care service. Additionally, we will continue to seek funding to help support services for those unable to afford the fee-for-service day care program.

Line Item Budget - Sheet 1 Operational Costs

Approved budgets are the basis for reporting all grant expenditures. Line items may not be added or changed without grant amendment. Prior authorization is required for transferring funds (<10%) between existing line items. Describe budget narrative in cell B38. You may insert rows or create additional worksheets if more space is needed to fully describe your budget.

PROGRAM OPERATIONS		Total Program Budget	Funds from Other Sources <i>Detail on sheet 3</i>	6month Staff Requested from DHCD
Total Labor Costs	Detail on sheet 2	\$529,693	\$385,906	\$143,787
Equipment (itemize)				
1	phys. therapy equip.	\$1,050	\$1,050	
2	occ. Therapy equip.	\$1,050	\$1,050	
3	office comp/printers	\$1,200	\$1,200	
Supplies (itemize)				
1	general office supplies	\$6,050	\$6,050	
2	medical supplies	\$3,850	\$3,850	
3	rec/activities	\$4,500	\$4,500	
Printing/Duplication		\$0	\$0	
Mailing/Postage/Delivery		\$2,000	\$2,000	
Travel		\$550	\$550	
Education/Training		\$950	\$950	
Facilities (Detail)				
	Telephone/Fax/Internet	\$11,400	\$11,400	
	Utilities	\$82,595	\$82,595	
	Insurance	\$48,780	\$48,780	
	Maintenance/Janitorial	\$31,200	\$31,200	
Other Facility costs (itemize)				
1	Property tax	\$18,900	\$18,900	
Other Program Costs not described above (itemize)				
1	CBAS Consulting	\$3,000	\$3,000	
2	License Fees	\$6,241	\$6,241	
3	Meals	\$100,800	\$100,800	
4	Legal & Accounting	\$7,200	\$7,200	
5	Transportation	\$46,760	\$46,760	
Total Program Budget		907,769	763,982	143,787

Line Item Budget - Sheet 1 Operational Costs

<p style="text-align: center;">Budget Narrative</p>	<p>Total program cost reflects 12-month total to serve 80 district residents. Request for Operational budget items reflects initial 6-month start-up costs for the CBAS Program to serve 50 district residents. Regulatory requirements result in equipment and supplies for PT and OT as well as expanded levels of paper work and tracking. This has resulted in expanded expenses for operations to meet the regulatory demands. Medical supplies and activities are also provided by regulation and the resulting costs are required to meet those regulations. Postage for Client attraction and follow-up. Travel and education are required to train the staff delivering client care and keeping current with regulations. Maintenance has increased due to regulatory requirements to clean every day and meet regulatory standards for supplies and equipment for cleaning. Utilities, phones and insurance are all expanded to meet the needs of the expanded projected census. At least one meal per day has to be provided by regulation. Also snacks must be provided. Transportation must also be arranged for each day of attendance.</p>
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**Line Item Budget
Sheet 2 - Labor Costs**

Staff Salaries					
Employee Position/Title		Annual Salary	% of Time Allocated to Program	Actual Program Salary	Amount of Salary Paid by DHCD Grant
1	Administrator	\$26,000	100	\$26,000	
2	Program Director	\$32,760	100	\$32,760	
3	Registered Nurse	\$54,600	100	\$54,600	27,000
4	RN/LVN	\$43,680	100	\$43,680	14,559
5	MSW Social Worker	\$43,680	100	\$43,680	21,840
6	Social Worker Assistant	\$21,840	100	\$21,840	7,281
7	Activities Coordinator	\$23,400	100	\$23,400	
8	Program Aide (8 by YE)	\$141,948	100	\$141,948	48,661
9	Employer Taxes & Benefits	\$79,775	100	\$79,775	
				\$467,683	119,341
Enter this amount in Section 1, Employee Salaries				Total >	467,683
Budget Narrative	RN (30hrs wk/\$35hr); RN/LVN (30hrs wk/\$35 hr); MSW (30hrs wk/\$28hr); SWA (30hrs wk/\$28hr); ; Program Aid - 5 or 6 (30hrs wk/\$13hr). All staff listed are NEW staff required for CBAS certification and license. Request to Desert Healthcare District is to cover first 6-months of new required CBAS staff. Additional dollars added to cover potential need to hire/staff up Program Aides sooner than expected based on existing client population eligible to convert into the CBAS program once contracts are signed and clients undergo required assessments.				
Consultants/Contractors					
Consultant/Contractor Name		Hourly Rate	Hours/ Week	Annual Cost	Amount of Salary Paid by DHCD Grant
1	Physical Therapist	\$65	4.5	15,210	7,608
2	Occupational Therapist	\$65	4.5	15,210	7,608
3	Speech Therapy	\$65	2	6,760	3,120
4	Nutritionalist	\$65	1	3,380	1,692
5	Psychologist	\$65	2.5	8,450	3,770
6	Pharmacist	\$100	0.25	1,300	648
7	Physician	\$150	1.5	11,700	
				\$62,010	24,446
Enter this amount in Section 1, Professional Services/Consultants				Total >	62,010
Budget Narrative	All contract personnel listed are required for CBAS certification and license.				

Line Item Budget - Other Program Funds

Funding for this program received from other sources		Amount
Fees		
Donations		
Grants (List Organizations)		
1	Desert Healthcare District	143,787
2	Regional Access Project Foundation	95,750
3	Inland Empire Health Plan	50,000
4		
Fundraising (describe nature of fundraiser)		
Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize)		
1	Patient Fee- Regular Day Medi-Cal Reimbursement	584,610
2	Patient Fee - Assessment Day Reimbursement	33,630
3		
4		
Total funding in addition to DHCD request		907777
Budget Narrative	<p>Lag time for positive revenue stream will occur over the first 6-9 months due to staff hiring/training prior to obtaining the state license required before any insurance contracts can be negotiated or patient assessments. There will be a patient ramp up phase where eligible patients will go through an assessment (minimum reimbursement rate \$64.83 per assessment), however it will take 2-3 months to process patient eligibility before program admission for Regular Day Medi-Cal monthly billing (minimum reimbursement rate \$80.08 per patient/per day).</p>	

Grant Scoring Review

Reviewer: Donna Craig

Executive Summary: 8

Need and Alignment: 10

Goals: 9

Evaluation: 9

Organizational Capacity: 10

Organizational Sustainability: 10

Budget: 9

Percent of Funding Requested: 9

Fiduciary Compliance: 10

Financial Stability: 10

Key Partners/Collaborations: 9

Total Score: 101.00

Reviewer Comments: This is a collaborative effort with the Regional Access Project Foundation, of which RAP Foundation Board of Directors, at their October 23, 2019 meeting, approved \$95,737 for the six-month start-up costs.

There is a great need for an Adult Day Health Care program and a Community-Based Adult Services program Center in the Palm Springs area. Currently there is no ADHC/CBAS programs within the identified area so NeuroVitality Center will be fulfilling this need and offering a level of social care that is not otherwise available in the area providing the opportunity for growth for the patient and respite for the families and caregivers.

NVC has the capacity and skills to offer this specific service to the community.

Response Notes:

Average Review Score: Staff Review Stage: 100 (2 of 2)

Sum of all Reviews: Staff Review Stage: 200 (2 of 2)

Grant Scoring Review

Reviewer: Alejandro Espinoza

Executive Summary: 9

Need and Alignment: 9

Goals: 8

Evaluation: 8

Organizational Capacity: 10

Organizational Sustainability: 8

Budget: 9

Percent of Funding Requested: 10

Fiduciary Compliance: 10

Financial Stability: 10

Key Partners/Collaborations: 10

Total Score: 99.00

Reviewer Comments: The proposed project and its services are much needed here in the Coachella Valley amongst the aging population. The Adult Day Health Care and Community-Based Adult Services will be new endeavors for the Neuro Vitality Center, which has a proven track record of implementing and sustaining community programs. The project will not only impact the individual client but also their family members and caretakers.

Response Notes:

Average Review Score: Staff Review Stage: 100 (2 of 2)

Sum of all Reviews: Staff Review Stage: 200 (2 of 2)



Grant Application Scoring Rubric

Category	Exceeds expectations <i>(7-10 points)</i>	Meets expectations <i>(3-6 points)</i>	Does not meet expectations <i>(0-2 points)</i>
Executive Summary (10 points)	The applicant includes and effectively describes the project's mission and vision, the specific population the project will serve, the expected benefits to the community, the support for applicant's project in the community with evidence based proposed methods, approaches and strategies are realistic, reasonable, effective, outcome-oriented.	The applicant includes and describes the project's mission and vision, the population the project will serve, the expected benefits to the community, the support for applicant's project in the community with evidence based proposed methods, approaches and strategies are realistic, reasonable, effective, outcome-oriented.	The applicant is unclear or does not include or describe the project's mission and vision, the general population the project will serve, the expected benefits to the community, the support for applicant's project in the community with proposed methods, approaches and strategies are realistic, reasonable, effective, outcome-oriented.
Need & Alignment and Demonstrate (10 points)	The applicant explicitly defines a specific need for the project within the identified community and effectively describes the alignment of that need to one of the Community Focus Areas of the District/Foundation's Strategic Plan by using data, case studies, interviews, focus group results, media attention, etc.	The applicant identifies a need within the identified community for the project and describes the alignment of that need to one of the Community Focus Areas of the District/Foundation's Strategic Plan by using data, case studies, interviews, focus group results, media attention, etc.	The applicant does not clearly describe a need for the project that its alignment to one of the Community Focus Areas of the District/Foundation's Strategic Plan by using data, and/or case studies, and/or interviews/focus group results, and/or media attention, etc.
Goals (10 points)	The applicant has provided SMART goals with an evaluation plan that is fully developed . The SMART goals are specific, measurable, ambitious, realistic and time-bound , and the evaluation plan will accurately measure the project's effectiveness.	The applicant has provided SMART goals with an evaluation plan. The SMART goals are mostly specific, measurable, ambitious, realistic, and time-bound , and the evaluation plan will measure the aspects of the project's effectiveness.	The applicant has provided very limited goals and evaluation plan. The goals are not specific, measurable, timebound and will weakly measure the project's effectiveness.

Revised: August 2019

<p>Proposed Evaluation Plan (10 points)</p>	<p>The applicant describes a specific detailed plan of action for evaluation, that includes both qualitative and quantitative assessment of the project that is well-defined with data reporting mechanisms and narrative that are clear and transparent. Evaluation is in alignment with Goals of the project.</p>	<p>The applicant describes a plan of action for evaluation that includes both qualitative and/or quantitative assessment of the project that is well-defined with data reporting mechanisms and /or narrative that are clear and transparent. Evaluation is in alignment with the Goals of the project.</p>	<p>The applicant does not describe, or vaguely describes a reasonable plan of action that can be completed during the grant period, involves some identified partners appropriately, and might make the project a reality.</p>
<p>% of Funding Requested – Leveraging of Outside Funds (10 points)</p>	<p>0-50% Budget shows mostly committed funds, in-kind funds for professional services and balance is from proposed funds have been identified and in place</p>	<p>51-70% Budget shows some committed funds, in-kind funds for professional services and proposed funds making up the majority, have been identified.</p>	<p>71 - 100% Budget shows limited to no committed funds, balance is made up of mostly identified proposed funds</p>
<p>Applicant Capacity and Infrastructure to Execute Proposal (10 points)</p>	<p>The applicant includes concrete examples that strongly demonstrate that the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.)</p> <p>The applicant strongly demonstrates credibility for this kind of work (strength, name recognition, a history or track record of achievements, related mission and letters of support)</p>	<p>The applicant includes solid examples that demonstrate that the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.).</p> <p>The applicant demonstrates credibility for this kind of work (strength, name recognition, a history or track record of achievements, related mission and letters of support)</p>	<p>The applicant does not include examples that would demonstrate the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.).</p> <p>The applicant is limited in its ability to demonstrate credibility for this kind of work (strength, name recognition, a history or track record of achievements, related mission and letters of support).</p>

<p>Organizations Sustainability (10 Points)</p>	<p>The applicant strongly demonstrates that it has a current strategic plan and/or business plan with measurable outcomes. Strong board engagement and governance. The proposed program is identified within the strategic plan.</p>	<p>The applicant demonstrates that it has a current strategic plan and/or business plan with measurable outcomes Shows Board engagement and governance. Applicant has clearly identified that the program is supported by the strategic plan</p>	<p>The applicant does not demonstrate that it has a strategic plan and/or business plan. The program only reflects the applicant’s mission.</p>
<p>Budget (10 points)</p>	<p>The budget is specific and reasonable, and all items strongly align with the described project. The budget strongly demonstrates financial clarity/value and tells the same story as the proposal narrative. There are no unexplained amounts. The overall value of the project (the relationship of benefits and/or participants) to costs is effective. Additional leveraged funding sources and in-kind services are included. Staff FTE is identified clearly. Budget includes \$XXX amounts and how these ties to staff time.</p>	<p>The budget is clear and reasonable, with the items aligned with the described project. There are no unexplained amounts. The overall value of the project (the relationship of benefits and/or participants to costs) is reasonable and/or some additional funding sources and/or in-kind services are included.</p>	<p>The budget is not specific and/or reasonable, and the items are somewhat aligned with the described project. The budget somewhat demonstrates financial clarity. There are no unexplained amounts.</p>
<p>Fiduciary Compliance (10 Points)</p>	<p>The applicant strongly demonstrates a financial history that shows a continuous cycle of fiduciary responsibility of the Board through unmodified audited financials produced in a timely fashion, positive cash flow at the end of each fiscal year, asset ratio meets required debt load, and the Board reviews financials on a regular basis.</p>	<p>The applicant demonstrates a financial history that shows a continuous cycle of fiduciary responsibility of the Board through unmodified audited financials produced in a timely fashion, and the board reviews financials on a regular basis.</p>	<p>The applicant demonstrates a financial history that shows a continuous cycle of fiduciary responsibility of the Board through audited financials produced. A positive cash flow at the end of each fiscal year is not consistent. and the Board does not review financials on a regular basis.</p>

<p>Financial Stability (10 Points)</p>	<p>Funding sources for operations and programs are coming from multiple sources and is driven by a strategic plan for stability for both short- and long-term growth.</p>	<p>Source of funds for operations and programs are coming from multiple sources. There is a limited plan in place for stability for short term only.</p>	<p>Source of funds for operations and programs are coming from limited sources. There is no plan for stability in place currently.</p>
<p>Key Partners / Collaboration (10 points)</p>	<p>The applicant strongly demonstrates solid partnerships and collaborative approach with letters of commitment or an MOU that includes a scope of work.</p>	<p>The applicant demonstrates partnerships and collaborative approach with letters of commitment.</p>	<p>The applicant demonstrates limited or no partnerships and has not included any letters of commitment.</p>
<p>Comments/Notes:</p>			

Total Score: ____ / 110 = ____%

Exceeds expectations: 77% or Higher Fully Funded
Meets expectations: 50%- 76% Full to Partial – Possible restrictions/conditions
Does not meet expectations: 49% or Lower No funding to Partial funding with restrictions/conditions

EXHIBIT B

PAYMENT SCHEDULE, REQUIREMENTS & DELIVERABLES

<u>Project Title</u>	<u>Start/End</u>
Community Based Adult (CBAS) Program	12/1/2019 5/31/2020

PAYMENTS:

(2) Payments: \$64,704.15
10% Retention: \$14,378.70

Total request amount: \$143,787.00

GRANT AND PAYMENT SCHEDULE REQUIREMENTS:

Scheduled Date	Grant Requirements for Payment	Payment
12/01/2019	Signed Agreement submitted & accepted	Advance of \$64,704.15 for time period 12/01/2019- 2/28/2020
03/01/2020	1 st quarter (12/01/2019 - 2/28/2020) progress and budget reports submitted & accepted	Advance of \$64,704.15 for time period 03/01/2020 -05/31/2020
6/01/2020	2 nd quarter (3/01/2020- 05/31/2020) progress and budget reports submitted and accepted	\$0
06/30/2020	Final report (12/01/2019 - 05/31/2020) submitted & accepted	\$14,378.70 (10 % retention)

TOTAL GRANT AMOUNT: \$143,787.00

DELIVERABLES:

Program/Project Goals and Evaluation

Goal #1: The potential CLIENT must meet minimum eligibility requirements, clients who are initially, found to be or become ineligible to attend the Neuro Vitality Center shall be provided with referrals and resources to other Neuro Vitality Center services and/or other community resources. The Multidisciplinary team consists of at least a physician, nurse, social worker, CLIENT and/or his or her	Evaluation #1: In early November, negotiations with major MediCal payors for the CBAS program will undergo fee-for-service contract negotiations to initiate CLIENT referrals and programs assessments. The center shall endeavor to ensure that an initial CLIENT assessment occurs over the course of three days. All assessments must be completed within thirty days of first day of assessment. CLIENT's plans of care
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<p>representative, Activity Director, occupational therapist and a physical therapist. The physician may be either a paid staff member of Neuro Vitality Center or the CLIENT's physician. When indicated by the needs of the CLIENT, a psychiatrist, psychologist, psychiatric social worker, speech therapist and Dietician shall be included as members of the assessment team and assist in the assessment. The initial eligibility determination for the CBAS benefit will be performed through a face to face review by a registered nurse with level of care determination experience, using a standardized tool and protocol approved by the State Medicaid Agency. The CBAS program shall be available to all beneficiaries who meet eligibility requirements who meet medical necessity criteria, based on medical necessity criteria. The goal is to provide assessments on 300 eligible Clients within the first 6-months.</p>	<p>shall be developed collaboratively with the CLIENT and/or his or her representative as needed and desired. The plan of care shall indicate and honor a CLIENT's strength, abilities and preferences. The CLIENT's needs/goals/desired outcomes shall be elicited to ensure the care plan is CLIENT driven. These shall be documented and shared with each discipline to support an integrated and cohesive, person-centered plan of care that fully supports the CLIENT to reach his or her goals. "Needs/Goals/Desired Outcomes Worksheet" (NGDO Worksheet). Every care plan written will relate to one of the goal(s)/need(s) identified on the NGDO worksheet by the CLIENT. Each member of the multidisciplinary team involved in the care planning process for the CLIENT will complete a six-month reassessment of the CLIENT. All staff & consultants are involved in the CLIENT's plan of care.</p>
<p>Goal #2: The individual plan of care (IPC) means a written plan designed to provide a CLIENT of an ADHC with appropriate treatment in accordance with the assessed needs of the CLIENT and shall include and integrate the CLIENT and/or representative's input, including the CLIENT's choice, abilities, preferences, needs, goals and desired outcomes in regard to the delivery of services. The IPC is submitted as supporting documentation for level of service determination with the Treatment Authorization Request. The IPC shall be completed prior to admission to the center and should not be completed more than thirty-days prior to admission to the center. The IPC shall be based on a person-centered planning process, developed by the multidisciplinary team, including the CLIENT and/or his or her representative. The IPC shall be based on the assessment or reassessment conducted no more than 30 days prior to the start date of the IPC. If the CBAS CLIENT is a Medi-Cal managed care member and the CLIENT's plan requires more than 30 days prior to the IPC effective date, the center must identify any change in condition requiring IPC amendment prior to implementation and amend it accordingly if a change to the IPC is needed. The IPC shall be based on the</p>	<p>Evaluation #2: The IPC shall be based on a person-centered planning process, developed by the multidisciplinary team, including the CLIENT and/or his or her representative. Once the IPC is completed, the multidisciplinary team shall meet to review the care plan together. The CLIENT and/or his or her representative will be invited and encouraged to participate in this meeting. The IPC shall be signed by either the center's staff physician or the CLIENT's personal health care provider. Personal health care provider may include a physician assistant or nurse practitioner within their scope of practice under the appropriate supervision of the physician.</p>

<p>multidisciplinary team's assessments of the CLIENT and shall include and integrate the CLIENT and/or representative's input, including the CLIENT's choices, abilities and preferences, needs, goals and desired outcomes, in regard to the delivery of services. The IPC must be completed within 30 days of the CLIENT's first day of assessment. Goal is to admit 50 eligible CLIENTs into the CBAS program within the first 6-months.</p>	
<p>Goal #3: To provide a licensed and certified CBAS day program of therapeutic, social and health activities and services provided to persons 18 years or older or other adults with functional impairments, either physical or mental, for the purpose of restoring or maintaining optimal capacity for self-care. The expansion of services already offered at the Center will include more medical services, including skilled nursing as well as care management with social work and therapeutic recreation departments, and better address CLIENT functional abilities and include Physical Therapy, Speech Therapy, Occupational Therapy and dietary health support for CLIENTs. Expanding services to include CBAS will best allow the Center to achieve these goals. Program personnel shall be competent to provide the services necessary to meet individual CLIENT's needs, and shall at all times, be employed in numbers necessary to meet such needs. Staff of Neuro Vitality Center shall perform a walk-through of center and the outside grounds three times per day to ensure that all clients are safe and within the designated program areas and to ensure that the center is clean and well maintained. The center shall be open to clients for no less than six-hours and no more than 12 during each calendar day of operation, the center shall provide no less than four hours of service per day per CLIENT not including transportation. Neuro Vitality Center will be open to serve clients from 8 am to 2:30 pm daily, 5 days per week, Monday through Friday. The center will be open from 7:30 am through 3:30 pm 5 days per week, Monday through Friday. General centers visitors, those who are not visiting a specific CLIENT or coming for a "guest day" may visit the center with approval from the</p>	<p>Evaluation #3: Neuro Vitality Center shall maintain a complete standard health record for each CLIENT in the program. The health record shall be available to staff during the program day. All services and activities required to be provided by the IPC, shall be documented. In order to maintain confidentiality and safety of the CLIENT health records, they shall be stored in a locking cabinet to protect against loss, destruction and unauthorized use. The center will have extensive HIPAA policies and procedures in place and will provide ongoing training and supervision of staff in both maintaining protected health information (PHI) within the center, ePHI for PHI transmission and participant confidentiality. The center shall perform risk analysis, as required by the Administrative Safeguard provisions in the Security rule. All information, records, data and data elements collected and maintained for the operation of the center and pertaining to participants shall be protected from unauthorized disclosure in accordance with all laws and regulations.</p>

Program Director or administrator.	
<p>Goal #4: The center will provide a diet that meets the National Research Council's recommended Dietary Allowance. During the assessment procedure, the CLIENT's diet needs/preferences/food allergies will be obtained both from the physician and from the CLIENT and/or CLIENT's representative Clients who have been prescribed a special diet by their physician, who have food preferences and/or allergies (orders will be reviewed every 90 days) will be offered to the CLIENT. The meals and menus will also meet the CLIENT's cultural and religious needs, desires and preferences. A CLIENT in the center for less than eight hours shall be provided meals and snacks so that no more than three and a half hours elapse between food service. Goal is to provide 32,760 meals/snacks within the first 6-months.</p>	<p>Evaluation #4: The center RN, in conjunction with the consultant Dietician shall oversee the day to day running of the center's nutrition program. The RN is responsible for the operation of food services at Neuro Vitality Center. Special diet requirements, as per physician orders are provided for all clients. The center RN shall supervise the distribution of meals received to ensure each CLIENT receives the proper foods, including special/therapeutic diets, foods free of the individual CLIENT's allergies and/or modified texture foods. The Dietician shall approve all menus based on the nutritional requirements of the clients and any special diet requirements.</p>
<p>Goal #5: Transportation services may be arranged for clients by the Center staff. The Center shall maximize the use of various types of transportation services available in the community to achieve the most appropriate means of transportation for the clients to facilitate regular attendance and prompt arrival and departure. The Multidisciplinary team/ Transportation manager with the CLIENT/representative input shall develop a plan for transporting the CLIENT to and from center. This plan shall be placed on the IPC. Transportation to and from place of pick-up and the center is scheduled to ensure that CLIENT one-way transit time does not exceed one hour where possible. In order to ensure that clients are picked up in a timely fashion, and the most efficient route is utilized, center drivers will follow the routes developed by the transportation manager. Routes shall be developed to help ensure that no CLIENT is in the vehicle for more than one hour.</p>	<p>Evaluation #5: The center is responsible for providing transportation both to and from the center on a daily basis. This may be achieved by arranging for family conveyance, by using public transport, by using Sundial door to door service or by providing transportation using the center's own van. All vehicles shall be equipped with a mobile phone to communicate with emergency personnel or center personnel as needed and required. Reporting and payment for services for Sundial will be on a monthly basis. The Center maintains one van for those who may need extra care. The van is properly maintained, licensed and inspected to ensure the safety and comfort of the passengers. If using the Center van, routes shall be plotted by the transportation manager each afternoon before the next program day, Transit time is documented by the drivers on the "Transportation Record" which records time of pick-up and time of arrival both to the center and place of residence. The time of arrival at the center will coincide with the daily attendance "Check-In" sheet.</p>



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: November 26, 2019
To: Board of Directors
Subject: Resolution No. 19-09 - Resolution of the Board of Directors of the Desert Healthcare District establishing Seven Zones for district-based elections

Staff Recommendation: Consideration to approve Resolution No. 19-09 - Resolution of the Board of Directors of the Desert Healthcare District establishing Seven Zones for district-based elections.

Background:

- Due to the AB2414 expansion of the Desert Healthcare District in November 2018, the District Board of Directors expanded to seven.
- The expansion required increasing the election zones from five to seven.
- The Desert Healthcare District held four public hearings during 2019 to review draft zone maps, including public input.
- At the October 22, 2019 Board of Director's meeting, the Board selected and approved a final map, Cholla 2.
- As a result, a Resolution is required to formalize the map approval.
- Resolution 19-09 is included in the packet for review and approval.

Fiscal Impact:

N/A

RESOLUTION NO. 19-09

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
DESERT HEALTHCARE DISTRICT ESTABLISHING SEVEN
ZONES FOR DISTRICT BASED ELECTIONS**

WHEREAS, DESERT HEALTHCARE DISTRICT (“District”) is a California healthcare district duly organized and existing under the laws of the State of California, particularly the Local Health Care District Law, constituting Division 23 of the Health and Safety Code of the State of California and, more particularly, Health and Safety Code sections 32000 et seq.; and

WHEREAS, on June 26, 2018, the District Board of Directors approved Resolution No. 18-06, Resolution of the Board of Directors of Desert Healthcare District Establishing and Implementing Zone-Based Elections Pursuant to Elections Code Section 10010(e)(3)(A) and Health and Safety Code Section 32100.1; and

WHEREAS, on November 6, 2018, Riverside County Measure BB was passed which approved the expansion of the District and the annexation of the District to include the cities of Palm Desert, Indian Wells, La Quinta, Indio, Coachella and unincorporated areas of Riverside County, including Bermuda Dunes, Mecca, Thermo, Oasis, North Shore, and Vista Santa Rosa (“Annexed Area”); and

WHEREAS, on December 18, 2018, pursuant to Measure BB and Health and Safety Code Section 32499, the District Board of Directors approved Resolution No. 18-09, Resolution of the Board of Directors of Desert Healthcare District Increasing the Number of Board Members from Five (5) to Seven (7); and

WHEREAS, on January 15, 2019, at a special meeting the Board of Directors appointed two additional Board members, who were residents the newly Annexed Area of the District, to serve on the District Board; and

WHEREAS, on April 23, 2019, at a regular meeting, the Board of Directors held the first (1st) of four (4) duly noticed public hearings to explain the zone mapping process for the establishment of the new seven (7) District zones. At the public hearing, the Board heard input from the community relating to the boundaries of the new zones; and

WHEREAS, on May 28, 2019, at a regular meeting the Board held the second (2nd) duly-noticed public hearing explaining the zone mapping process and community input. At the public hearing, the Board received comments and testimony from the community concerning the location of the boundaries for the seven (7) zones; and

WHEREAS, on September 17, 2019, the District published and made available for the public four (4) versions of draft maps, which divided the District into seven (7) single-member zones; and

WHEREAS, on September 24, 2019, at a regular meeting the Board held the third (3rd) duly-noticed public hearing to discuss and receive input from the community on the draft maps that included the Agave, Mesquite, Yucca, and Cholla Maps; and

WHEREAS, as a result of public input and Board discussion on the four (4) maps at the public hearing on September 24, 2019, the District Board directed staff and the consultant to bring back for consideration two maps that were considered at the hearing and also to bring back two alternative maps for discussion and consideration at the next public hearing, all of which divided the District into seven (7) single-member zones; and

WHEREAS, on October 15, 2019, the District published and made available for the public the four versions of draft maps referenced above that included Agave, Agave 2, Cholla, and Cholla 2; and

WHEREAS, on October 22, 2019, at a regular meeting the Board of Directors held the fourth (4th) duly-noticed public hearing at which the public was invited to provide comments and testimony regarding the content of the four versions of the draft maps that were presented; and

WHEREAS, after the public hearing and public input at the meeting on October 22, 2019, the members of the Board of Directors were each permitted to present his or her views in relation to the proposed maps. After discussion, the Board selected the Cholla 2 draft map for the new jurisdictional boundaries of the seven (7) zones in the District. The Board also determined the sequence of elections by assigning consecutive numbers to specific zones; and

WHEREAS, the purpose of this resolution is to enact, pursuant to Health and Safety Code section 32100.1, a resolution providing for the division of the District into seven (7) zones as reflected in Exhibit “A” Cholla 2 Map, and for the election of members of the Board of Directors by zones in the seven (7) single-member zones reflected in Exhibit “A”; and

WHEREAS, in establishing these zones, the Board of Directors intends to and does provide for representation in accordance with demographic, including population, and geographic factors of the entire area of the local hospital district in accordance with Health and Safety Code section 32100.1.

NOW, THEREFORE, this Board of Directors of Desert Healthcare District does hereby resolve:

Section 1: The foregoing recitals are true and correct.

Section 2: Desert Healthcare District is hereby divided into seven (7) consecutively numbered zones and the boundaries of the zones are more particularly described in Exhibit “A” attached hereto and incorporated by this reference. Exhibit “A” also shows the zone numbers assigned to each zone, from one (1) through seven (7).

Section 3. At the November 2020 General Election, four members of the District Board of Directors shall be elected on a by-zone basis from the four (4) odd-numbered, single-member zones (specifically, Zones 1, 3, 5, and 7 as such zones may be amended), and every four (4) years thereafter. At the General Election in November 2022, three members of the District Board of Directors shall be elected from the three (3) even-numbered, single-member zones (specifically, Zones 2, 4, and 6 as such zones may be amended), and every four (4) years thereafter.

Section 4. Upon implementation of this resolution and beginning with the November 2020 General Election, the member of the Board of Directors elected to represent a District zone must be a resident of the zone from which he or she is elected for thirty (30) days preceding the date of the election and must be a registered voter in that zone, and any candidate for the Desert Healthcare District Board of Directors must reside in and be a registered voter in the zone in which he or she seeks election at the time nomination papers are issued pursuant to Health and Safety Code section 32100.1 and Elections Code section 201.

Section 5. Termination of residency in a zone by a member of the Board of Directors shall create an immediate vacancy for that zone unless a substitute residence within the zone is established within thirty (30) days after the termination of residency.

Section 6. Any vacancy upon the Board shall be filled by appointment by a majority of the remaining members of the Board of Directors consistent with Health and Safety Code section 32100.1. The person appointed to fill the vacancy must reside within the zone left unrepresented on the Board of Directors. Any person appointed to fill the vacancy shall hold office for the duration of the unexpired term.

Section 7. Notwithstanding any other provision of this section, and consistent with the requirements of Government Code section 36512, the members of the Board of Directors in office at the time this resolution takes effect shall continue in office until the expiration of the full term to which he or she was elected and until his or her successor is elected or appointed, and sworn in. At the end of the term of each member of the Board of Directors, that Board of Director's successor shall be elected on a by-zone basis in the zones established in this resolution.

Section 8. The Desert Healthcare Board of Directors' Board Secretary or designee shall maintain a map of the District showing the current boundaries and zone numbers of each District zone as may be established and amended from time to time by resolution of the Board of Directors.

Section 9. If necessary to facilitate the implementation of this resolution, the Chief Executive Officer is authorized to make technical adjustments to the District boundaries that do not substantively affect the populations in the zones, the demographics in the zones, eligibility of candidates, the residence of elected officials within any zone, and that do not contradict the intent or terms of the California Voting Rights Act of 2001. The Chief

Executive Officer shall consult with the Board Chair and the District’s General Counsel concerning any technical adjustments deemed necessary and shall advise the Board of Directors of any such adjustments required in the implementation of the zones.

Section 10. To the extent the terms and provisions of this resolution may be inconsistent or in conflict with the terms or conditions of any prior District resolution, motion, rule, regulation, or bylaw governing the same subject, the terms of this resolution shall prevail with respect to the subject matter thereof.

Section 11. In interpreting this resolution or resolving any ambiguity, this resolution shall be interpreted in a manner that effectively accomplishes its stated purpose.

Section 12. This resolution shall take effect immediately upon its adoption.

ADOPTED, PASSED, AND APPROVED this 7th day of November 2019, at a regular meeting of the Board of Directors of Desert Healthcare District, at which a quorum was present and acting throughout, by the following roll call vote:

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

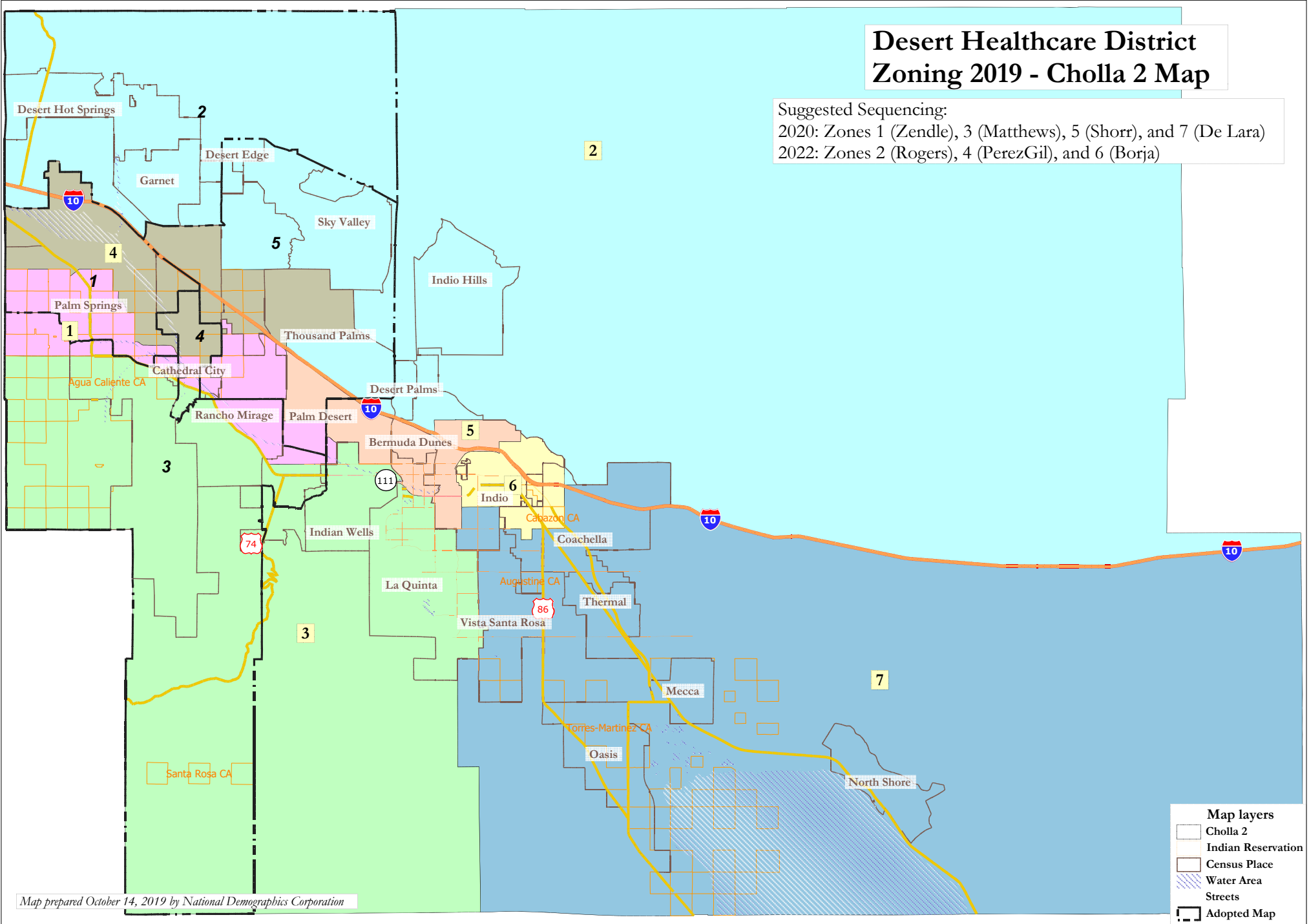
Les Zendle M.D., President
Board of Directors

ATTEST:

Leticia De Lara, Vice President/Secretary
Board of Directors

Desert Healthcare District Zoning 2019 - Cholla 2 Map

Suggested Sequencing:
 2020: Zones 1 (Zendle), 3 (Matthews), 5 (Shorr), and 7 (De Lara)
 2022: Zones 2 (Rogers), 4 (PerezGil), and 6 (Borja)

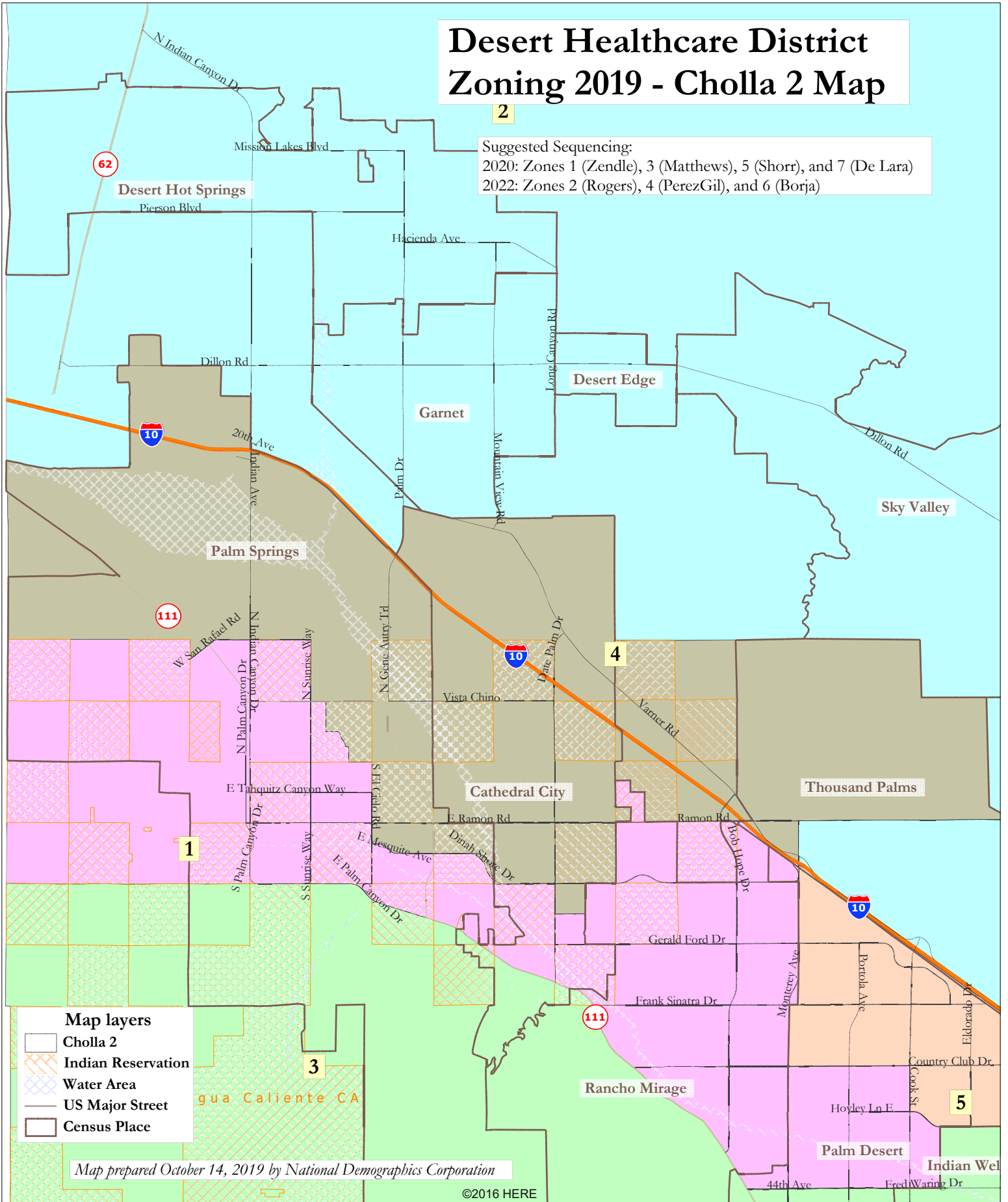


Map prepared October 14, 2019 by National Demographics Corporation

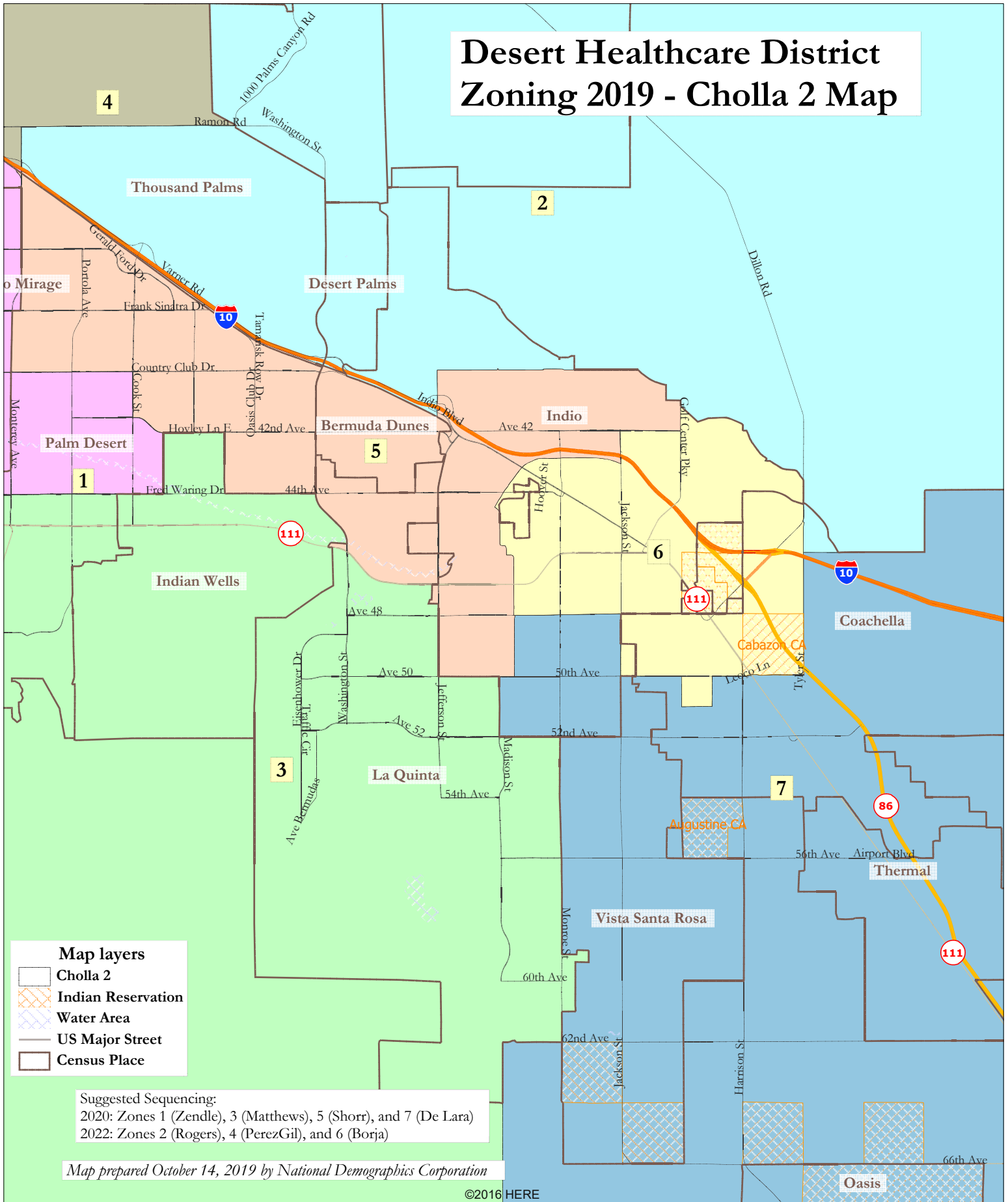
Desert Healthcare District Zoning 2019 - Cholla 2 Map

2

Suggested Sequencing:
2020: Zones 1 (Zendle), 3 (Matthews), 5 (Shorr), and 7 (De Lara)
2022: Zones 2 (Rogers), 4 (PerezGil), and 6 (Borja)



Desert Healthcare District Zoning 2019 - Cholla 2 Map



Desert Healthcare - NDC Cholla 2

Zone		1	2	3	4	5	6	7	Total
Ideal	Total Pop	61,171	59,296	59,563	59,624	61,013	60,090	61,179	421,936
60,277	Deviation from ideal	894	-981	-714	-653	736	-187	902	1,875
	% Deviation	1.48%	-1.63%	-1.18%	-1.08%	1.22%	-0.31%	1.50%	3.11%
Total Pop	% Hisp	20%	45%	26%	61%	31%	86%	92%	52%
	% NH White	71%	47%	69%	28%	61%	10%	6%	42%
	% NH Black	3%	4%	2%	4%	2%	2%	0%	2%
	% Asian-American	4%	2%	2%	6%	4%	1%	1%	3%
Citizen Voting Age Pop	Total	48,910	39,407	46,790	35,200	46,419	30,481	21,445	268,651
	% Hisp	13%	30%	20%	45%	25%	79%	84%	36%
	% NH White	79%	61%	74%	43%	68%	16%	15%	57%
	% NH Black	3%	6%	2%	4%	2%	4%	0%	3%
	% Asian/Pac.Isl.	3%	2%	3%	6%	3%	1%	1%	3%
Voter Registration (Nov 2016)	Total	34,798	26,735	32,977	24,070	34,756	20,588	14,733	188,658
	% Latino est.	13%	30%	17%	45%	26%	82%	87%	36%
	% Spanish-Surnamed	11%	27%	15%	41%	23%	74%	78%	32%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	1%	1%	1%	2%	1%	1%	1%	1%
	% NH White est.	81%	60%	78%	44%	69%	12%	12%	58%
	% NH Black	3%	5%	2%	5%	2%	3%	0%	3%
Voter Turnout (Nov 2016)	Total	28,608	19,512	26,988	17,246	27,888	12,888	9,420	142,551
	% Latino est.	11%	25%	14%	41%	23%	80%	84%	31%
	% Spanish-Surnamed	10%	22%	13%	37%	21%	72%	75%	27%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	1%	1%	1%	2%	1%	1%	1%	1%
	% NH White est.	83%	65%	81%	47%	72%	13%	16%	63%
	% NH Black	3%	4%	2%	5%	2%	3%	0%	3%
Voter Turnout (Nov 2014)	Total	18,695	11,992	17,568	8,920	16,699	5,972	4,577	84,423
	% Latino est.	7%	16%	10%	32%	15%	74%	76%	22%
	% Spanish-Surnamed	6%	14%	9%	29%	14%	67%	71%	20%
	% Asian-Surnamed	1%	1%	1%	1%	1%	0%	0%	1%
	% Filipino-Surnamed	1%	1%	0%	2%	1%	1%	1%	1%
	% NH White est.	87%	79%	87%	56%	80%	20%	21%	73%
	% NH Black est.	3%	4%	2%	5%	2%	3%	0%	3%
ACS Pop. Est.	Total	63,442	61,974	60,846	63,423	64,855	63,187	62,877	440,604
Age	age0-19	14%	26%	18%	28%	23%	34%	36%	26%
	age20-60	41%	43%	42%	52%	45%	54%	50%	47%
	age60plus	44%	30%	40%	20%	32%	12%	13%	27%
Immigration	immigrants	19%	21%	19%	32%	17%	34%	42%	26%
	naturalized	44%	35%	44%	39%	51%	33%	19%	35%
Language spoken at home	english	75%	61%	71%	47%	73%	28%	17%	53%
	spanish	17%	36%	23%	48%	22%	70%	83%	42%
	asian-lang	3%	1%	2%	3%	2%	1%	0%	2%
	other lang	5%	2%	4%	2%	3%	1%	0%	3%
Language Fluency	Speaks Eng. "Less than Very Well"	8%	13%	10%	21%	8%	35%	45%	20%
Education (among those age 25+)	hs-grad	54%	60%	53%	57%	59%	55%	42%	54%
	bachelor	21%	12%	22%	12%	19%	6%	5%	15%
	graduatedegree	16%	7%	14%	7%	12%	2%	3%	9%
Child in Household	child-under18	12%	26%	17%	32%	22%	41%	44%	25%
Veteran	veteran	12%	10%	10%	6%	10%	3%	2%	8%
Pct of Pop. Age 16+	employed	44%	43%	46%	55%	51%	58%	53%	50%
Household Income	income 0-25k	27%	31%	22%	27%	19%	29%	35%	26%
	income 25-50k	23%	30%	22%	28%	22%	31%	32%	26%
	income 50-75k	17%	16%	16%	18%	19%	19%	17%	17%
	income 75-200k	25%	21%	29%	25%	34%	21%	14%	25%
	income 200k-plus	7%	2%	10%	3%	6%	1%	2%	5%
Housing Stats	single family	73%	89%	83%	78%	84%	75%	79%	80%
	multi-family	27%	11%	17%	22%	16%	25%	21%	20%
	rented	38%	34%	35%	39%	29%	41%	42%	36%
	owned	62%	66%	65%	61%	71%	59%	58%	64%

Total population data from the 2010 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2012-2016 American Community Survey and Special Tabulation 5-year data.

Desert Healthcare - NDC Cholla 2

Zona		1	2	3	4	5	6	7	Total
Ideal	Pob. Total	61,171	59,296	59,563	59,624	61,013	60,090	61,179	421,936
60,277	Desviación de pob.	894	-981	-714	-653	736	-187	902	1,875
	% Desviación	1.48%	-1.63%	-1.18%	-1.08%	1.22%	-0.31%	1.50%	3.11%
Pob. Total	% Hisp	20%	45%	26%	61%	31%	86%	92%	52%
	% Blanco	71%	47%	69%	28%	61%	10%	6%	42%
	% Negro	3%	4%	2%	4%	2%	2%	0%	2%
	% Asiático	4%	2%	2%	6%	4%	1%	1%	3%
Ciudadanos +18 años	Total	48,910	39,407	46,790	35,200	46,419	30,481	21,445	268,651
	% Hisp	13%	30%	20%	45%	25%	79%	84%	36%
	% Blanco	79%	61%	74%	43%	68%	16%	15%	57%
	% Negro	3%	6%	2%	4%	2%	4%	0%	3%
	% Asiático	3%	2%	3%	6%	3%	1%	1%	3%
Registros (Nov 2016)	Total	34,798	26,735	32,977	24,070	34,756	20,588	14,733	188,658
	% Latino est.	13%	30%	17%	45%	26%	82%	87%	36%
	% apellido asiático	11%	27%	15%	41%	23%	74%	78%	32%
	% apellido filipino	1%	1%	1%	1%	1%	1%	0%	1%
	% apellido español	1%	1%	1%	2%	1%	1%	1%	1%
	% blanco est.	81%	60%	78%	44%	69%	12%	12%	58%
	% negro est.	3%	5%	2%	5%	2%	3%	0%	3%
Votantes (Nov 2016)	Total	28,608	19,512	26,988	17,246	27,888	12,888	9,420	142,551
	% Latino est.	11%	25%	14%	41%	23%	80%	84%	31%
	% apellido asiático	10%	22%	13%	37%	21%	72%	75%	27%
	% apellido filipino	1%	1%	1%	1%	1%	1%	0%	1%
	% apellido español	1%	1%	1%	2%	1%	1%	1%	1%
	% blanco est.	83%	65%	81%	47%	72%	13%	16%	63%
	% negro est.	3%	4%	2%	5%	2%	3%	0%	3%
Votantes (Nov 2014)	Total	18,695	11,992	17,568	8,920	16,699	5,972	4,577	84,423
	% Latino est.	7%	16%	10%	32%	15%	74%	76%	22%
	% apellido asiático	6%	14%	9%	29%	14%	67%	71%	20%
	% apellido filipino	1%	1%	1%	1%	1%	0%	0%	1%
	% apellido español	1%	1%	0%	2%	1%	1%	1%	1%
	% blanco est.	87%	79%	87%	56%	80%	20%	21%	73%
	% negro est.	3%	4%	2%	5%	2%	3%	0%	3%
Pob. ACS	Total	63,442	61,974	60,846	63,423	64,855	63,187	62,877	440,604
Edad	Edad 0 – 19 años	14%	26%	18%	28%	23%	34%	36%	26%
	Edad 20 – 60 años	41%	43%	42%	52%	45%	54%	50%	47%
	Edad +60 años	44%	30%	40%	20%	32%	12%	13%	27%
Migración	Migrante	19%	21%	19%	32%	17%	34%	42%	26%
	Naturalizada	44%	35%	44%	39%	51%	33%	19%	35%
Lengua en casa	Inglés	75%	61%	71%	47%	73%	28%	17%	53%
	Español	17%	36%	23%	48%	22%	70%	83%	42%
	Idioma Asiático	3%	1%	2%	3%	2%	1%	0%	2%
	Otro idioma	5%	2%	4%	2%	3%	1%	0%	3%
Fluidez en Inglés	Habla Inglés solo "bien" o menos	8%	13%	10%	21%	8%	35%	45%	20%
Nivel de educación (edad +25)	preparatoria	54%	60%	53%	57%	59%	55%	42%	54%
	licenciatura	21%	12%	22%	12%	19%	6%	5%	15%
	graduado	16%	7%	14%	7%	12%	2%	3%	9%
Hogares con niño(s)	con niño(s)	12%	26%	17%	32%	22%	41%	44%	25%
Veteranos	veterano	12%	10%	10%	6%	10%	3%	2%	8%
Pto. Edad 16+	empleado	44%	43%	46%	55%	51%	58%	53%	50%
Ingreso (por hogar)	\$0 a \$25 000	27%	31%	22%	27%	19%	29%	35%	26%
	\$25 a \$50 000	23%	30%	22%	28%	22%	31%	32%	26%
	\$50 a \$75 000	17%	16%	16%	18%	19%	19%	17%	17%
	\$75 a \$200 000	25%	21%	29%	25%	34%	21%	14%	25%
	mayor a \$200 000	7%	2%	10%	3%	6%	1%	2%	5%
Unidades de vivienda	Unifamiliar	73%	89%	83%	78%	84%	75%	79%	80%
	Multifamiliar	27%	11%	17%	22%	16%	25%	21%	20%
	Rentadas	38%	34%	35%	39%	29%	41%	42%	36%
	Propias	62%	66%	65%	61%	71%	59%	58%	64%
Fuentes: Censo 2010, California Statewide Database (elecciones Nov 2014 y 2016), 2012-2017 American Community Survey Special Tabulation de ciudadanos +18, y 2012-2016 American Community Survey. Los números de registros y votantes "latinos" son ajustados según el rato para California del US Census Population Division									



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: November 26, 2019
To: Board of Directors
Subject: CalFresh- Healthy Living – FY 20-22 Subcontractor Agreement \$330,000

Staff Recommendation: Consideration to approve the Cal-Fresh Healthy Living subcontractor agreement in the amount of \$330,000 over 3-years.

Background:

- On June 25, 2019, the Board of Directors unanimously voted to approve the transition of the Nutrition Education Obesity Prevention program to the CalFresh Healthy Living program.
- The CalFresh Healthy Living program awards funding for policy, systems and environmental (PSE) change strategies and activities to improve the nutrition-related environment for CalFresh (SNAP-Ed) eligible recipients.
- The CalFresh program allows staff to analyze, assess and recommend efficient practices throughout food banks / pantries within the four designated cities of Thousand Palms, Cathedral City, Desert Hot Springs and Palm Springs.
- The CalFresh Healthy Living program went into effect October 1, 2019.
- The District recently received the Subcontract Agreement for execution.
- The Agreement is included in the packet for your review and approval.
- Staff recommends approval of the CalFresh Subcontract Agreement.

Fiscal Impact:

Funded through the CalFresh Healthy Living program, awarding \$330,000 over a three-year period (\$110,000 per year). The funding originates from the United States Department of Agriculture (USDA), funneled to the state of California, distributed to public health agencies at the county level and disbursed to subcontracting agencies such as the Desert Healthcare District.

The funding reimburses the District for actual expenses incurred to administer the program.

Agreement

This is a Subcontracting Agreement of the California Supplemental Nutrition Assistance Program Education (SNAP-Ed) Plan of the California Department of Public Health, the California Department of Social Services and the United States Department of Agriculture

between

COUNTY OF RIVERSIDE

and

DESERT HEALTHCARE FOUNDATION

I. Purpose and Scope.

The purpose of this subcontract agreement, hereinafter referred to as “subcontract” or “agreement,” is to clearly identify the roles and responsibilities of each party as they relate to providing nutrition education to Californians participating or eligible to participate in CalFresh, previously known as the Food Stamp Program in California.¹ California’s Supplemental Nutrition Assistance Program Education (SNAP-Ed) is funded federally by the United States Department of Agriculture (USDA) and administered at the state level by the California Department of Social Services (CDSS) and the California Department of Public Health’s (CDPH’s) *Nutrition Education and Obesity Prevention Branch (NEOPB)*.

The SNAP-Ed program is intended to provide nutrition education to low-income households. To support this goal, County of Riverside, a political subdivision of the State of California, through its Department of Public Health, hereinafter referred to as “COUNTY” or “Grantee”, and Desert Healthcare Foundation, through its Desert Healthcare District, hereinafter referred to as “DISTRICT” or “Sub-grantee”, will conduct nutrition education interventions to eligible families as described in their respective Scope of Work/Deliverables. Allowable services are outlined in the USDA SNAP-Ed Plan Guidance located at the following link:

<http://snaped.fns.usda.gov/program-administration/guidance-and-templates>

Both COUNTY and DISTRICT should ensure that program activities are conducted in compliance with all applicable Federal laws, rules, and regulations including Civil Rights and Office of Management and Budget (OMB) circulars governing cost issues.

II. Period of Performance.

The term of this agreement is the period within which the project responsibilities of this agreement shall be performed. The term commences October 1, 2019 and terminates September 30, 2022.

III. Compensation.

In consideration of services provided by COUNTY, DISTRICT shall receive compensation for services set forth in Exhibit A, SCOPE OF WORK, and Exhibit B, BUDGET, the aggregate amount, not to exceed, three hundred thirty thousand dollars (\$330,000) including all expenses.

IV. COUNTY Responsibilities.

COUNTY shall undertake the following activities during the duration of the agreement term:

1. Ensure adherence of DISTRICT to applicable federal and state laws and regulations and program guidelines.
2. Review and approve all documentation evidencing DISTRICT's performance of services as set forth in the Integrated Work Plan/Scope of Work, attached hereto as Exhibit A, and monitor DISTRICT compliance with the agreement.
3. Provide training and technical assistance to DISTRICT on promising practices and fiscal and programmatic rules and regulations.
4. Promptly reimburse allowable expenses according to the terms and conditions set forth in this agreement according to the following:
 - a. The COUNTY standard payment default terms of 30 days after the submission of the monthly Federal Share invoices to COUNTY.
5. Ensure that DISTRICT's Scope of Work activities do not supplant existing SNAP-Ed efforts or funding.
6. Review DISTRICT's audit report and, within six months of receipt, issue a management decision on any audit findings. COUNTY will also ensure that DISTRICT takes appropriate and timely corrective action to remain in compliance with federal regulations.

V. DISTRICT Responsibilities.

DISTRICT shall undertake the following activities during the duration of the agreement term:

1. Support and facilitate nutrition education services as outlined in the approved Integrated Work Plan/Scope of Work, attached hereto as Exhibit A, and Budget attached hereto as Exhibit B. Services shall be provided to SNAP eligible participants and potential SNAP eligible participants who have incomes at or below 185% of the federal poverty level (FPL). DISTRICT will be required to designate the sites where services will be provided to ensure the target population is being reached. Site approval must be obtained before services begin. The methods used to qualify the proposed sites include:
 - a. Means-Tested Setting (Food pantries) as outlined in Exhibit A.

2. Ensure that Federal Share is not used to supplant existing SNAP-Ed funds or activities.
3. Follow all relevant laws and regulations regarding documentation, reporting, use, etc. of these federal funds in accordance with OMB circulars A-122 and A-133 (for non-profits) or OMB circulars A-87 and A-133 (for State, Local, and Indian Tribal Governments) or OMB circulars A-21 (for Educational Institutions).
<https://www.whitehouse.gov/omb/information-for-agencies/circulars/>
4. Furnish project management, contract administration and fiscal control services, including but not limited to:
 - a. Adherence to the approved Integrated Scope of Work and Budget attached.
 - b. Return of this agreement, with the required signatures, within 30 days of its receipt.
 - c. Preparation and submission of approved monthly time log forms for each employee charging personnel costs to the program.
 - d. Preparation and submission of monthly Federal Share invoices to COUNTY according to the following :
 - 1) Monthly Invoices Due Dates:
DISTRICT shall submit monthly invoices by the 25th of the following month to pay prior monthly expenditures.
 - 2) Invoices shall be submitted or emailed to:

County of Riverside Department of Public Health
Nutrition & Health Promotion Branch
Attn: Lisa Lin or Tanya Lee
4210 Riverwalk Parkway, Suite # 400
Riverside, CA 92505
llin@ruhealth.org or talee@ruhealth.org
 - e. Sub-grantee is required to separate, batch and label each set of documentation according to one of the ten line items to which the expense is billed. Batch, attach vendor invoices, bills, receipts for all purchases and label the documentation according to the following line items:
 - 1) Personnel Salaries
 - 2) Fringe Benefits
 - 3) Travel and Per Diem
 - 4) Non-Capital Equipment/ Supplies
 - 5) Materials

- 6) Building/ Space – Not applicable
- 7) Maintenance
- 8) Equipment and Other Capital Expenditures – Not applicable
- 9) Contract/Sub-Grants/Agreements – Not applicable
- 10) Indirect Costs

- f. Sub-grantee is required to sign and submit a copy of the fully executed sub-grant agreement and/or consultant agreement to COUNTY.

The following key elements must be included in the sub-grant agreements:

- 1) Name of the parties entering into the agreement.
- 2) Terms of the agreement.
- 3) Scope of services or work to be completed, attached here as Exhibit A.
- 4) Maximum amount payable.
- 5) Cancellation clause.
- 6) Record retention clause
- 7) Copy of the CDPH - Special Terms and Conditions Exhibit D, attached hereto as Attachment 1.
- 8) Copy of the CDPH - Information confidentiality and security requirements Exhibit G, attached hereto as Attachment 2.

- g. Comply with all requests from COUNTY including programmatic and fiscal onsite or desk reviews. Upon request, provide documentation to the COUNTY and follow protocols to ensure compliance with requirements.

- h. On-line tracking of program activities using the Program Evaluation and Reporting System (PEARS) and submission of Progress Reports as follows:

- 1) See attached Scope of Work/ Integrated Work Plan - Exhibit A
- 2) Activities must be logged by the 7th of the following month to track prior month's activities.
- 3) Semi-annual progress reports will be due early April, date TBD.
- 4) Annual progress report will be due early October, date TBD.

- i. Participation in all mandatory trainings and meetings as requested by COUNTY.

- j. DISTRICT agrees to maintain and preserve files relevant to this agreement, until three years after termination of and final payment is received from the NEOPB to the Grantee. In addition, permit the NEOPB , CDPH, CDSS, USDA or any duly authorized to have access to, examine or audit any pertinent books, documents, papers and fiscal records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records. Any costs that cannot be substantiated by source documentation may be disallowed.

- k. Return any funds necessary to repay USDA for any federal audit exceptions in which DISTRICT has not complied with the requirements of this agreement and applicable state and federal regulations.
- l. Submission of a copy of audited financial statements to COUNTY nine months after the year end. DISTRICT agrees to provide access to auditors to determine compliance with federal regulations.

VI. Documentation Approval and Acknowledgements.

COUNTY and DISTRICT agree that documents prepared by organizations using CDPH funding for external release, in print or other media, or via the Internet, must undergo appropriate review and approval prior to release. Documents prepared by CDPH contractors and subcontractors and intended for publication and distribution by an entity outside of CDPH must receive the necessary departmental approvals prior to publishing or distribution. Concurrent submission to the internal and external review processes is not permitted. Reviews may take up to thirty (30) working days. CDPH has identified the following category of documents intended for external release applicable to nutrition education:

Health Education/Communication

- One time, periodic, or occasional
- Provides factual information to the public or target audience to prevent disease or improve health status
- Conveys a specific public health message to a select target audience about a specific public health problem or program

Examples:

- Brochure
- Fact sheet
- Media campaigns and advertisements
- Newsletter
- Fotonovela
- Press release or other press materials
- Public Service Announcement
- Social Networking – Facebook, Twitter, etc.

Materials, whether newly developed or reprinted, must include an appropriate acknowledgement/funding statement.

See the *NEOPB Branding Guidelines Manual* at:

<https://www.myctb.org/wst/casnap-ed/communication/Pages/default.aspx> for information on approved acknowledgement/funding statements and which types of materials should carry which version of the statement. For materials not listed, contact COUNTY for guidance on which statement is appropriate.

Whenever possible, the CalFresh Healthy Living logo should be displayed prominently on all materials produced with CalFresh Healthy Living funds. This includes flyers, Web pages, PowerPoint presentations, printed publications, or any other documents. CalFresh Healthy Living logos are available in English, Spanish, black and white, color, and in different electronic file formats online in the *Communications Resource Library*
<https://www.myctb.org/wst/casnap-ed/communication/Pages/default.aspx>

Additional Provisions links:

Fiscal and Administrative Guidelines

<https://www.cdph.ca.gov/Programs/CCDPHP/DCDIC/NEOPB/Pages/Contract-Support-Services-Unit.aspx>

NEOPB Program Letters and any revisions

<https://www.cdph.ca.gov/Programs/CCDPHP/DCDIC/NEOPB/Pages/LHDProgramLetters.aspx>

United States Department of Agriculture, Supplemental Nutrition Assistance Program Education (SNAP-Ed) Plan Guidance

<https://snaped.fns.usda.gov/program-administration/guidance-and-templates>

VII. Terms and Conditions.

1. Hold Harmless/Indemnification.

Each party agrees to indemnify, defend, and hold harmless the other party and its officers, directors, trustees, employees, agents (together “Employees and Agents”) from any claim, liability or loss, including reasonable attorneys’ fees arising out of or resulting from the acts or omissions of the indemnifying party or any of its Employees or Agents in connection with this Agreement, excepting only loss, injury or damage caused by the sole negligence of willful misconduct of the non-indemnifying party’s Employees and Agents. Each party shall notify the other party immediately in writing of any claim of injury or damage related to activities performed pursuant to this Agreement. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities of this Agreement, provided that nothing shall require either party to disclose any documents, records or communications that are protected under the peer review privilege, the attorney-client privilege or the attorney work-product privilege. The provisions of this section shall survive the termination of this Agreement.

2. Liability Insurance.

Without limiting or diminishing the DISTRICT’S obligation to indemnify or hold the COUNTY harmless, DISTRICT shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage’s during the term of this Agreement:

- a. **Workers' Compensation:**
If the DISTRICT has employees as defined by the State of California, the DISTRICT shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than one million dollars \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.
- b. **Commercial General Liability:**
Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury covering claims which may arise from or out of DISTRICT'S performance of its obligations hereunder. Policy shall name all agencies, districts, special districts, and departments of the COUNTY of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured's. Policy's limit of liability shall not be less than one million dollars \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.
- c. **Vehicle Liability:**
If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then DISTRICT shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than one million dollars \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside, its agencies, districts, Special districts, and departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured's.
- d. **General Insurance Provisions - All lines:**
- 1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.
 - 2) The DISTRICT must declare its insurance self-insured retentions. If such self-insured retentions exceed five hundred, thousand \$500,000 per occurrence such retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self insured retention unacceptable to the COUNTY, and at the election of the Country's Risk Manager,

DISTRICT's carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

- 3) DISTRICT shall cause DISTRICT's insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, or 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. *DISTRICT shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsement or policy of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.*
- 4) It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of insurance and policies shall so covenant and shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.
- 5) The COUNTY'S Reserved Rights –Insurance. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work (such as the use of aircraft or watercraft) the COUNTY reserves the right to adjust the type of insurance required herein, if; in the COUNTY Risk Manager's reasonable judgment the amount or type of insurance carried by the DISTRICT has become inadequate
- 6) DISTRICT shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.
- 7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

3. License.

- a. DISTRICT shall, through the term of this Agreement, maintain all licenses necessary for the provision of the services hereunder and required by the laws and regulations of the United States, the State of California, County of Riverside, and all other governmental agencies. DISTRICT shall notify COUNTY immediately, in writing, of inability to obtain or maintain such license. Said inability shall be cause for termination of this Agreement.
- b. DISTRICT shall ensure that DISTRICT'S employees, agents and other subcontractor's performing services under the terms of this Agreement are in compliance with all relative licensing requirements. DISTRICT hereby agrees to notify COUNTY immediately, in writing, of inability of DISTRICT or any of DISTRICT'S employees, agents and other subcontractors, to obtain or maintain such license(s). Said inability shall be cause for termination of this Agreement.
- c. A copy of each such license, permit, approval, waiver, exemption, registration, accreditation, and certificate shall be provided to COUNTY.

4. Nondiscrimination and Eligibility.

DISTRICT shall not discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel, on the basis of ethnic group identification, race, color, creed, ancestry, religion, national origin, physical handicap, medical condition, or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of California Fair Employment and Housing Act (Gov. Code 12900 et. Seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. §1210 et. Seq.) and all other applicable laws or regulations.

5. Conflict of Interest.

DISTRICT and DISTRICT'S employees shall have no interest, and shall not acquire any interest, direct or indirect, which will conflict in any manner or degree with the performance of services required under this Agreement

VIII. Special Terms and Conditions.

COUNTY and DISTRICT shall follow all relevant and applicable regulations as specified in the CDPH "Special Terms and Conditions", also known as Exhibit D, attached hereto as Attachment 1. These may include, but are not limited to:

1. Travel and Per Diem Reimbursement – unless otherwise specified, Party A and Party B will be reimbursed for travel and per diem expenses at rates established by the California Department of Personnel Administration.
2. Subcontract Requirements – Not Applicable.
3. Lobbying Restrictions – for contracts and subcontracts that equal or exceed \$100,000 in Federal Share.

4. Intellectual Property Rights – except where CDPH has agreed in a signed writing to accept a license, CDPH shall be and remain without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property which result directly or indirectly from this Agreement.

IX. Funding.

1. Federal Share SNAP-Ed funding shall not be used to supplant existing nutrition education funds or activities during the term of the contract.
2. DISTRICT shall provide Federal Share budget documentation as requested by USDA, CDSS, CDPH or COUNTY.
3. Program activities shall not supplant existing nutrition education programs, and where operating in conjunction with existing programs, enhance and supplement them.
4. Funding for each federal fiscal year is subject to approval by USDA. If full funding does not become available, CDPH will amend, reduce or cancel the resulting agreement. Continuation of services beyond the first fiscal year is subject to COUNTY and DISTRICT continued successful performance.

X. Modification and Termination.

1. This agreement may be cancelled or terminated without cause by either party by giving (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment invoicing instructions/requirements.
2. Any and all amendments must be made in writing and must be agreed to and executed by the parties before becoming effective.
3. It is mutually agreed that if the Federal Budget of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State and COUNTY shall have no liability to pay any funds whatsoever to DISTRICT; and DISTRICT shall not be obligated to perform any provisions of this Agreement for which they are not reimbursed.
4. If funding for any fiscal year is reduced or deleted by the Federal Budget for purposes of this program, the State and COUNTY shall have the option to either cancel this Agreement with no liability occurring to the State or COUNTY, or offer an agreement amendment to DISTRICT to reflect the reduced agreement.

XI. Notices.

Any notices required to be given under this agreement shall be given by regular mail, postage prepaid, addressed as follows:

COUNTY:

Riverside County Department of Public Health
Procurement and Logistics
4065 County Circle Drive
Riverside, California 92503

DISTRICT:

Desert Healthcare District
1140 N. Indian Canyon Drive
Palm Springs, CA 91786

and a copy to:

Riverside County Department of Public Health
Nutrition & Health Promotion Branch
4210 Riverwalk Parkway, Suite #400
Riverside, California 92505

Or to such other address (es) as the Parties may hereafter designate.

XII. Effective Date and Signature.

This agreement shall be effective upon the signature of COUNTY and DISTRICT authorized officials. It shall be in force from October 1, 2019 to September 30, 2022. COUNTY and DISTRICT indicate agreement with their signatures.

COUNTY of RIVERSIDE

**DESERT HEALTHCARE
FOUNDATION**

Kevin Jeffries, Chairman of the Board
of Supervisors

Print Name

Print Name

Date

Date

ATTEST:

By _____
Kecia Harper, Clerk

APPROVE AS TO FORM:
Gregory P. Priamos
County Counsel

By _____
Amrit Dhillon, Deputy County Counsel

**Exhibit D
Special Terms and Conditions**

(For Subvention/Local Assistance Agreements)

The provisions herein apply to this Agreement unless the provisions are removed by reference, the provisions are superseded by an alternate provision appearing elsewhere in this Agreement, or the applicable conditions do not exist.

Index of Special Terms and Conditions

1. Procurement Rules	11. Officials Not to Benefit
2. Equipment Ownership / Inventory / Disposition	12. Prohibited Use of State Funds for Software
3. Subcontract Requirements	13. Contract Uniformity (Fringe Benefit Allowability)
4. Income Restrictions	14. Cancellation
5. Site Inspection	
6. Intellectual Property Rights	
7. Prior Approval of Training Seminars, Workshops or Conferences	
8. Confidentiality of Information	
9. Documents, Publications, and Written Reports	
10. Dispute Resolution Process	

Exhibit D
Special Terms and Conditions

1. Procurement Rules

(Applicable to all agreements in which equipment, property, commodities and/or supplies are furnished by CDPH or expenses for said items are reimbursed with state or federal funds.)

a. Equipment definitions

Wherever the term equipment /property is used, the following definitions shall apply:

- (1) **Major equipment/property:** A tangible or intangible item having a base unit cost of \$5,000 or more with a life expectancy of one (1) year or more and is either furnished by CDPH or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.
- (2) **Minor equipment/property:** A tangible item having a base unit cost of less than \$5,000 with a life expectancy of one (1) year or more and is either furnished by CDPH or the cost is reimbursed through this Agreement.

b. Government and public entities (including state colleges/universities and auxiliary organizations), whether acting as a contractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through g of this provision. Paragraph c of this provision shall also apply, if equipment purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.

c. Nonprofit organizations and commercial businesses, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment and services related to such purchases for performance under this Agreement.

- (1) Equipment purchases shall not exceed \$50,000 annually.

To secure equipment above the annual maximum limit of \$50,000, the Contractor shall make arrangements through the appropriate CDPH Program Contract Manager, to have all remaining equipment purchased through CDPH's Purchasing Unit. The cost of equipment purchased by or through CDPH shall be deducted from the funds available in this Agreement. Contractor shall submit to the CDPH Program Contract Manager a list of equipment specifications for those items that the State must procure. The State may pay the vendor directly for such arranged equipment purchases and title to the equipment will remain with CDPH. The equipment will be delivered to the Contractor's address, as stated on the face of the Agreement, unless the Contractor notifies the CDPH Program Contract Manager, in writing, of an alternate delivery address.

- (2) All equipment purchases are subject to paragraphs d through g of this provision. Paragraph b of this provision shall also apply, if equipment purchases are delegated to subcontractors that are either a government or public entity.
- (3) Nonprofit organizations and commercial businesses, shall use a procurement system that meets the following standards:

(a) Maintain a code or standard of conduct that shall govern the performance of its officers,

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employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.

(b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.

(c) Procurements shall be conducted in a manner that provides for all of the following:

[1] Avoid purchasing unnecessary or duplicate items.

[2] Equipment solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.

[3] Take positive steps to utilize small and veteran owned businesses.

- d. Unless waived or otherwise stipulated in writing by CDPH, prior written authorization from the appropriate CDPH Program Contract Manager will be required before the Contractor will be reimbursed for any purchase **exceeding** \$2,500 or more for commodities, supplies, equipment, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by CDPH, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.
- e. In special circumstances, determined by CDPH (e.g., when CDPH has a need to monitor certain purchases, etc.), CDPH may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. CDPH reserves the right to either deny claims for reimbursement or to request repayment for any Contractor purchase that CDPH determines to be unnecessary in carrying out performance under this Agreement.
- f. The Contractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor at any time.
- g. For all purchases, the Contractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor for inspection or audit.

2. Equipment Ownership / Inventory / Disposition

(Applicable to agreements in which equipment and/or property is furnished by CDPH and/or when said items are purchased or reimbursed with state)

- a. Wherever the terms equipment and/or property are used in this provision, the definitions in provision 1, paragraph a., shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that are

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purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement shall be considered state equipment and the property of CDPH.

- (1) CDPH requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by CDPH or purchased/reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Contractor shall report the receipt to the CDPH Program Contract Manager. To report the receipt of said items and to receive property tags, Contractor shall use a form or format designated by CDPH's Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with CDPH Funds) does not accompany this Agreement, Contractor shall request a copy from the CDPH Program Contract Manager.

- (2) If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or property to the CDPH Program Contract Manager using a form or format designated by CDPH's Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of CDPH-Funded Equipment) does not accompany this Agreement, Contractor shall request a copy from the CDPH Program Contract Manager. Contractor shall:

- (a) Include in the inventory report, equipment and/or property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).
- (b) Submit the inventory report to CDPH according to the instructions appearing on the inventory form or issued by the CDPH Program Contract Manager.
- (c) Contact the CDPH Program Contract Manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by CDPH's Asset Management Unit.

- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
- c. Unless otherwise stipulated, CDPH shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or property.
- d. The Contractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.

- (1) In administering this provision, CDPH may require the Contractor to repair or replace, to CDPH's satisfaction, any damaged, lost or stolen state equipment and/or property. Contractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the CDPH Program Contract Manager.

- e. Unless otherwise stipulated by the program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this

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Agreement, shall only be used for performance of this Agreement or another CDPH agreement.

- f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Contractor shall provide a final inventory report of equipment and/or property to the CDPH Program Contract Manager and shall, at that time, query CDPH as to the requirements, including the manner and method, of returning state equipment and/or property to CDPH. Final disposition of equipment and/or property shall be at CDPH expense and according to CDPH instructions. Equipment and/or property disposition instructions shall be issued by CDPH immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, CDPH may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different CDPH agreement.

g. **Motor Vehicles**

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by CDPH under this Agreement.)

- (1) If motor vehicles are purchased/reimbursed or furnished by CDPH under the terms of this Agreement, within thirty (30) calendar days prior to the termination or end of this Agreement, the Contractor shall return such vehicles to CDPH and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to CDPH.
- (2) If motor vehicles are purchased/reimbursed or furnished by CDPH under the terms of this Agreement, **the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner.** The Contractor shall only use said vehicles for the performance under the terms of this Agreement.
- (3) The Contractor agree that all operators of motor vehicles, purchased/reimbursed or furnished by CDPH under the terms of this Agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.
- (4) If any motor vehicle is purchased/reimbursed or furnished by CDPH under the terms of this Agreement, the Contractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this Agreement or any extension period during which any vehicle remains in the Contractor's possession:

Automobile Liability Insurance

- (a) The Contractor, by signing this Agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, to the Contractor.
- (b) The Contractor shall, as soon as practical, furnish a copy of the certificate of insurance to the CDPH Program Contract Manager. The certificate of insurance shall identify the CDPH contract or agreement number for which the insurance applies.

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- (c) The Contractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this Agreement or until such time as the motor vehicle is returned to CDPH.
- (d) The Contractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this Agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.
- (e) The Contractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:
 - [1] The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State.
 - [2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this Agreement and any extension or continuation of this Agreement.
 - [3] The insurance carrier shall notify CDPH, in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to each agreement number for which the insurance was obtained.
- (f) The Contractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS), Office of Risk and Insurance Management. The Contractor shall be notified by CDPH, in writing, if this provision is applicable to this Agreement. If DGS approval of the certificate of insurance is required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.
- (g) In the event the Contractor fails to keep insurance coverage, as required herein, in effect at all times during vehicle possession, CDPH may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

3. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

- a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services exceeding \$2,500 for any articles, supplies, equipment, or services. The Contractor shall obtain at least three competitive quotations which should be submitted or adequate justification provided for the absence of bidding.
- b. CDPH reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.

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- (1) Upon receipt of a written notice from CDPH requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by CDPH.
- c. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) exceeding \$2,500 are subject to the prior review and written approval of CDPH.
 - d. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by CDPH, make copies available for approval, inspection, or audit.
 - e. CDPH assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. Contractor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
 - f. The Contractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
 - g. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement and shall be the subcontractor's sole point of contact for all matters related to the performance and payment during the term of this Agreement.
 - h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:

"(Subcontractor Name) agrees to maintain and preserve, until three years after termination of (Agreement Number) and final payment from CDPH to the Contractor, to permit CDPH or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."

4. Income Restrictions

Unless otherwise stipulated in this Agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this Agreement shall be paid by the Contractor to CDPH, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by CDPH under this Agreement.

5. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the services performed.

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6. Intellectual Property Rights

a. Ownership

- (1) Except where CDPH has agreed in a signed writing to accept a license, CDPH shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement.
- (2) For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or here after come into existence. and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.
 - (a) For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.
- (3) In the performance of this Agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Contractor may access and utilize certain of CDPH's Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Contractor shall not use any of CDPH's Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of CDPH. **Except as otherwise set forth herein, neither the Contractor nor CDPH shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this Agreement, Contractor accesses any third-party Intellectual Property that is licensed to CDPH, Contractor agrees to abide by all license and confidentiality restrictions applicable to CDPH in the third-party's license agreement.
- (4) Contractor agrees to cooperate with CDPH in establishing or maintaining CDPH's exclusive rights in the Intellectual Property, and in assuring CDPH's sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this Agreement, Contractor shall require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to

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CDPH all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or CDPH and which result directly or indirectly from this Agreement or any subcontract.

- (5) Contractor further agrees to assist and cooperate with CDPH in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce CDPH's Intellectual Property rights and interests.

b. Retained Rights / License Rights

- (1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to CDPH, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.
- (2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of CDPH or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

c. Copyright

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Paragraph a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to CDPH to any work product made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement.
- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement, shall include CDPH's notice of copyright, which shall read in 3mm or larger typeface: "© [Enter Current Year e.g., 2014, etc.], Department of Public Health. This material may not be reproduced or disseminated without prior written permission from the Department of Public Health." This notice should be placed prominently on the materials

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and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

d. Patent Rights

With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically included in the Agreement's scope of work, Contractor hereby grants to CDPH a license as described under Section b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to CDPH, without additional compensation, all its right, title and interest in and to such inventions and to assist CDPH in securing United States and foreign patents with respect thereto.

e. Third-Party Intellectual Property

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining CDPH's prior written approval; and (ii) granting to or obtaining for CDPH, without additional compensation, a license, as described in Section b of this provision, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon these terms is unattainable, and CDPH determines that the Intellectual Property should be included in or is required for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to CDPH.

f. Warranties

(1) Contractor represents and warrants that:

- (a) It is free to enter into and fully perform this Agreement.
- (b) It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
- (c) Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
- (d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
- (e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of

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any interest in and to real estate, sites, locations, property or props that may be used or shown.

- (f) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to CDPH in this Agreement.
 - (g) It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
 - (h) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this Agreement.
- (2) CDPH MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

g. Intellectual Property Indemnity

- (1) Contractor shall indemnify, defend and hold harmless CDPH and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of CDPH's use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. CDPH reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against CDPH.
- (2) Should any Intellectual Property licensed by the Contractor to CDPH under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve CDPH's right to use the licensed Intellectual Property in accordance with this Agreement at no expense to CDPH. CDPH shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for CDPH to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is

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functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, CDPH shall be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.

- (3) Contractor agrees that damages alone would be inadequate to compensate CDPH for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges CDPH would suffer irreparable harm in the event of such breach and agrees CDPH shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

h. Survival

The provisions set forth herein shall survive any termination or expiration of this Agreement or any project schedule.

7. Prior Approval of Training Seminars, Workshops or Conferences

Contractor shall obtain prior CDPH approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Contractor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Contractor in order to conduct routine business matters.

8. Confidentiality of Information

The Contractor and its employees, agents, or subcontractors shall:

- a. Protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to the Contractor, its employees, agents, or subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.
- b. Not use such identifying information for any purpose other than carrying out the Contractor's obligations under this Agreement.
- c. Promptly transmit to the CDPH Contract Manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. Not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than CDPH without prior written authorization from the CDPH Contract Manager, except if disclosure is required by State or Federal law.
- e. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

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- f. As deemed applicable by CDPH, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

9. Documents, Publications and Written Reports

(Applicable to agreements over \$5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contractual communications) prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts or agreements and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

10. Dispute Resolution Process

- a. A Contractor grievance exists whenever there is a dispute arising from CDPH's action in the administration of an agreement. If there is a dispute or grievance between the Contractor and CDPH, the Contractor must seek resolution using the procedure outlined below.
 - (1) The Contractor should first informally discuss the problem with the CDPH Program Contract Manager. If the problem cannot be resolved informally, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. If the Contractor disagrees with the Branch Chief's decision, the Contractor may appeal to the second level.
 - (2) When appealing to the second level, the Contractor must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal.
- b. If the Contractor wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, the Contractor shall follow the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the

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regulations adopted thereunder. (Title 1, Division 2, Chapter 2, Article 3 (commencing with Section 1140) of the California Code of Regulations).

- c. Disputes arising out of an audit, examination of an agreement or other action not covered by subdivision (a) of Section 20204, of Chapter 2.1, Title 22, of the California Code of Regulations, and for which no procedures for appeal are provided in statute, regulation or the Agreement, shall be handled in accordance with the procedures identified in Sections 51016 through 51047, Title 22, California Code of Regulations.
- d. Unless otherwise stipulated in writing by CDPH, all dispute, grievance and/or appeal correspondence shall be directed to the CDPH Contract Manager.
- e. There are organizational differences within CDPH's funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the CDPH Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

11. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

12. Prohibited Use of State Funds for Software

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

13. Contract Uniformity (Fringe Benefit Allowability)

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, CDPH sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. As used herein, fringe benefits do not include:
 - (1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
 - (2) Director's and executive committee member's fees.
 - (3) Incentive awards and/or bonus incentive pay.
 - (4) Allowances for off-site pay.
 - (5) Location allowances.

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- (6) Hardship pay.
 - (7) Cost-of-living differentials
- c. Specific allowable fringe benefits include:
- (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
- d. To be an allowable fringe benefit, the cost must meet the following criteria:
- (1) Be necessary and reasonable for the performance of the Agreement.
 - (2) Be determined in accordance with generally accepted accounting principles.
 - (3) Be consistent with policies that apply uniformly to all activities of the Contractor.
- e. Contractor agrees that all fringe benefits shall be at actual cost.
- f. Earned/Accrued Compensation
- (1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See section f (3)(a) below for an example.
 - (2) For multiple year agreements, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the Agreement. Holidays cannot be carried over from one agreement year to the next. See Provision f (3)(b) for an example.
 - (3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the Agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.
- (a) **Example No. 1:**
- If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a one year agreement. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of an agreement, the Contractor during a one-year budget period may only claim up to three weeks of vacation and twelve days of sick leave as actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the Agreement are not an allowable cost.
- (b) **Example No. 2:**
- If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

Exhibit D
Special Terms and Conditions

(c) **Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to CDPH, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

14. Cancellation

- A. This agreement may be cancelled by CDPH without cause upon 30 calendar days advance written notice to the Contractor.
- B. CDPH reserves the right to cancel or terminate this agreement immediately for cause. The Contractor may submit a written request to terminate this agreement only if CDPH substantially fails to perform its responsibilities as provided herein.
- C. The term "for cause" shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of this agreement.
- D. Agreement termination or cancellation shall be effective as of the date indicated in CDPH's notification to the Contractor. The notice shall stipulate any final performance, invoicing or payment requirements.
- E. Upon receipt of a notice of termination or cancellation, the Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.
- F. In the event of early termination or cancellation, the Contractor shall be entitled to compensation for services performed satisfactorily under this agreement and expenses incurred up to the date of cancellation and any non-cancelable obligations incurred in support of this agreement.

Exhibit G
Information Privacy and Security Requirements
(For CDPH WIC Contracts)

This Information Privacy and Security Requirements Exhibit (For CDPH WIC Contracts) (hereinafter referred to as "this Exhibit") sets forth the information privacy and security requirements the Contractor is obligated to follow with respect to all personal and confidential information (as defined herein) disclosed to the Contractor, or collected, created, maintained, stored, transmitted or used by the Contractor for or on **behalf** of the California Department of Public Health (hereinafter "CDPH"), pursuant to the Contractor's agreement with CDPH. (Such personal and confidential information is referred to herein collectively as "CDPH PCI".)

CDPH administers the California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC Program) pursuant to a grant from the United States Department of Agriculture (USDA), pursuant to the Child Nutrition Act of 1966, title 42 of the United States Code (U.S.C.), Section 1786 (Public law 89-645, Section 17), as amended, and in accordance with governing administration of grants (2 CFR part 200, subparts A through F and USDA implementing regulations 2 CFR part 400 and part 415); governing non-procurement debarment/suspension (2 CFR part 180, OMB Guidelines to Agencies on Government-wide Debarment and Suspension and USDA implementing regulations 2 CFR part 417); governing restrictions on lobbying (2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400, part 415, and part 418); and governing the drug-free workplace requirements (2 CFR part 182, Government-wide Requirements for Drug-Free Workplace); FNS guidelines; and, instructions issued under the FNS Directives Management System.

CDPH and the Contractor desire to protect the privacy and provide for the security of CDPH PCI pursuant to this Exhibit and in compliance with state and federal laws applicable to the CDPH PCI.

- I. Order of Precedence: With respect to information privacy and security requirements for all CDPH PCI, the terms and conditions of this Exhibit shall take precedence over any conflicting terms or conditions set forth in any other part of the agreement between the Contractor and CDPH, including Exhibit A (Scope of Work), all other exhibits and any other attachments, and shall prevail over any such conflicting terms or conditions.
- II. Effect on lower tier transactions: The terms of this Exhibit shall apply to all contracts, subcontracts, and subawards, and the information privacy and security requirements the Contractor is obligated to follow with respect to CDPH PCI disclosed to the Contractor, or collected, created, maintained, stored, transmitted or used by the Contractor for or on behalf of CDPH, pursuant to the Contractor's agreement with CDPH. When applicable the Contractor shall incorporate the relevant provisions of this Exhibit into each subcontract or subaward to its agents, subcontractors, or independent consultants.
- III. Definitions: For purposes of the agreement between the Contractor and CDPH, including this Exhibit, the following definitions shall apply:
 - A. Breach:

"Breach" means:

 1. the unauthorized acquisition, access, use, or disclosure of CDPH PCI in a manner which compromises the security, confidentiality or integrity of the information; or
 2. unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the Contractor. Good faith acquisition of personal information by an employee or agent of the Contractor for the purposes of the

Exhibit G
Information Privacy and Security Requirements
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Contractor is not a breach of the security of the system, provided that the personal information is not used or subject to further unauthorized disclosure.

- B. Confidential Information: "Confidential information" means:
1. any information about a [WIC] applicant or participant, whether it is obtained from the applicant or participant, another source, or generated as a result of WIC application, certification, or participation, that individually identifies an applicant or participant and/or family member(s) as set forth in 7 Code of Federal Regulations part 246.26(d)(1)(i);
 2. information that does not meet the definition of "public records" set forth in California Government Code section 6252(e), or is exempt from disclosure under any of the provisions of Section 6250, et seq. of the California Government Code or any other applicable state or federal laws; or
 3. information that is contained in documents, files, folders, books or records that are clearly labeled, marked or designated with the word "confidential" by CDPH.
- C. Disclosure: "Disclosure" means the release, transfer, provision of, access to, or divulging in any manner of information outside the entity holding the information.
- D. PCI: "PCI" means "personal information" and "confidential information" (as these terms are defined herein:
- E. Personal Information: "Personal information" means information, in any medium (paper, electronic, oral) that:
1. directly or indirectly collectively identifies or uniquely describes an individual; or
 2. any information about a [WIC] applicant or participant, whether it is obtained from the applicant or participant, another source, or generated as a result of WIC application, certification, or participation, that individually identifies an applicant or participant and/or family member(s) as set forth in 7 Code of Federal Regulations part 246.26(d)(1)(i); or
 3. any information about a vendor (whether it is obtained from the vendor or another source) that individually identifies the vendor, except for vendor's name, address, telephone number, Web site/e-mail address, store type, and authorization status; or
 4. is protected from disclosure under applicable state or federal law.
- F. Security Incident: "Security Incident" means:
1. an attempted breach; or
 2. the attempted or successful unauthorized access or disclosure, modification or destruction of CDPH PCI, in violation of any state or federal law or in a manner not permitted under the agreement between the Contractor and CDPH, including this Exhibit; or
 3. the attempted or successful modification or destruction of, or interference with the Contractor's system operations in an information technology system, that negatively

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- impacts the confidentiality, availability or integrity of CDPH PCI; or
4. any event that is reasonably believed to have compromised the confidentiality, integrity, or availability of an information asset, system, process, data storage, or transmission. Furthermore, an information security incident may also include an event that constitutes a violation or imminent threat of violation of information security policies or procedures, including acceptable use policies.
- G. Use: "Use" means the sharing, employment, application, utilization, examination, or analysis of information.
- IV. Disclosure Restrictions: The Contractor and its employees, agents, and subcontractors shall protect from unauthorized disclosure any CDPH PCI. The Contractor shall not disclose any CDPH PCI to anyone other than personnel of the CDPH WIC Program or CDPH OLS without prior written authorization from the CDPH WIC Program, except if disclosure is required by State or Federal law. The Contractor shall limit access to CDPH PCI to only those employees, agents, and subcontractors CDPH WIC has determined have a need to know the CDPH PCI in order to perform the Contractor's obligations under its agreement with CDPH WIC. Disclosure of CDPH PCI to any other party or individual including the Contractor's employees, agents, and subcontractors, is unauthorized.
- V. Use Restrictions: The Contractor and its employees, agents, and subcontractors shall not use any CDPH PCI for any purpose other than performing the Contractor's obligations under its agreement with CDPH.
- VI. Safeguards: The Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the privacy, confidentiality, security, integrity, and availability of CDPH PCI, including electronic or computerized CDPH PCI. At each location where CDPH PCI exists under the Contractor's control, the Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities in performing its agreement with CDPH, including this Exhibit, and which incorporates the requirements of Section VII, Security, below. The Contractor shall provide CDPH with the Contractor's current and updated policies within five (5) business days of a request by CDPH for the policies.
- VII. Security: The Contractor shall take any and all steps reasonably necessary to ensure the continuous security of all computerized data systems containing CDPH PCI. These steps shall include, at a minimum, complying with all of the data system security precautions listed in the Contractor Data Security Standards set forth in Attachment 1 to this Exhibit.
- VIII. Security Officer: At each place where CDPH PCI is located, the Contractor shall designate a Security Officer to oversee its compliance with this Exhibit and to communicate with CDPH on matters concerning this Exhibit.
- IX. Training: The Contractor shall provide training on its obligations under this Exhibit, at its own expense, to all of its employees who assist in the performance of the Contractor's obligations under the Contractor's agreement with CDPH, including this Exhibit, or otherwise use or disclose CDPH PCI.
- A. The Contractor shall require each employee who receives training to certify, either in hard copy or electronic form, the date on which the training was completed.

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- B. The Contractor shall retain each employee's certifications for CDPH inspection for a period of three years following contract termination or completion.
- C. The Contractor shall provide CDPH with its employee's certifications within five (5) business days of a request by CDPH for the employee's certifications.
- X. Employee Discipline: The Contractor shall impose discipline that it deems appropriate (in its sole discretion) on such employees and other Contractor workforce members under the Contractor's direct control who intentionally or negligently violate any provisions of this Exhibit.

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XI. Breach and Security Incident Responsibilities:

- A. Notification to CDPH of Breach or Security Incident: The Contractor shall notify CDPH **immediately by telephone call plus email or fax** upon the discovery of a breach (as defined in this Exhibit), **and within twenty-four (24) hours by email or fax** of the discovery of any security incident (as defined in this Exhibit), unless a law enforcement agency determines that the notification will impede a criminal investigation, in which case the notification required by this section shall be made to CDPH immediately after the law enforcement agency determines that such notification will not compromise the investigation. Notification shall be provided to the CDPH Program Contract Manager, the CDPH Privacy Officer and the CDPH Chief Information Security Officer, using the contact information listed in Section XI(F), below. If the breach or security incident is discovered after business hours or on a weekend or holiday and involves CDPH PCI in electronic or computerized form, notification to CDPH shall be provided by calling the CDPH Information Security Office at the telephone numbers listed in Section XI(F), below. For purposes of this Section, breaches and security incidents shall be treated as discovered by the Contractor as of the first day on which such breach or security incident is known to the Contractor, or, by exercising reasonable diligence would have been known to the Contractor. The Contractor shall be deemed to have knowledge of a breach if such breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the breach, who is an employee or agent of the Contractor.

The Contractor shall take:

1. prompt corrective action to mitigate any risks or damages involved with the breach or security incident and to protect the operating environment; and
 2. any action pertaining to a breach required by applicable federal and state laws, including, specifically, California Civil Code section 1798.29.
- B. Investigation of Breach and Security Incidents: The Contractor shall immediately investigate such breach or security incident. As soon as the information is known and subject to the legitimate needs of law enforcement, the Contractor shall inform the CDPH Program Contract Manager, the CDPH Privacy Officer, and the CDPH Chief Information Security Officer of:
1. what data elements were involved and the extent of the data disclosure or access involved in the breach, including, specifically, the number of individuals whose personal information was breached; and
 2. a description of the unauthorized persons known or reasonably believed to have improperly used the CDPH PCI and/or a description of the unauthorized persons known or reasonably believed to have improperly accessed or acquired the CDPH PCI, or to whom it is known or reasonably believed to have had the CDPH PCI improperly disclosed to them; and
 3. a description of where the CDPH PCI is believed to have been improperly used or disclosed; and
 4. a description of the probable and proximate causes of the breach or security incident; and

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5. whether Civil Code section 1798.29 or any other federal or state laws requiring individual notifications of breaches have been triggered.
- C. Written Report: The Contractor shall provide a written report of the investigation to the CDPH Program Contract Manager, the CDPH Privacy Officer, and the CDPH Chief Information Security Officer as soon as practicable after the discovery of the breach or security incident. The report shall include, but not be limited to, the information specified above, as well as a complete, detailed corrective action plan, including information on measures that were taken to halt and/or contain the breach or security incident, and measures to be taken to prevent the recurrence or further disclosure of data regarding such breach or security incident.
- D. Notification to Individuals: If notification to individuals whose information was breached is required under state or federal law, and regardless of whether the Contractor is considered only a custodian and/or non-owner of the CDPH PCI, the Contractor shall, at its sole expense, and at the sole election of CDPH, either:
1. make notification to the individuals affected by the breach (including substitute notification), pursuant to the content and timeliness provisions of such applicable state or federal breach notice laws. The Contractor shall inform the CDPH Privacy Officer of the time, manner and content of any such notifications, prior to the transmission of such notifications to the individuals; or
 2. cooperate with and assist CDPH in its notification (including substitute notification) to the individuals affected by the breach.
- E. Submission of Sample Notification to Attorney General: If notification to more than 500 individuals is required pursuant to California Civil Code section 1798.29, and regardless of whether the Contractor is considered only a custodian and/or non-owner of the CDPH PCI, The Contractor shall, at its sole expense, and at the sole election of CDPH, either:
1. electronically submit a single sample copy of the security breach notification, excluding any personally identifiable information, to the Attorney General pursuant to the format, content and timeliness provisions of Section 1798.29, subdivision (e). The Contractor shall inform the CDPH Privacy Officer of the time, manner and content of any such submissions, prior to the transmission of such submissions to the Attorney General; or
 2. cooperate with and assist CDPH in its submission of a sample copy of the notification to the Attorney General.
- F. CDPH Contact Information: To direct communications to the above referenced CDPH staff, the Contractor shall initiate contact as indicated herein. CDPH reserves the right to make changes to the contact information below by verbal or written notice to the Contractor. Said changes shall not require an amendment to this Exhibit or the agreement to which it is incorporated.

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CDPH Program Contract Manager	CDPH Privacy Officer	CDPH Chief Information Security Officer	CDPH OLS Contact for Third Party Information Requests
See Scope of Work for Program Contract Manager	Privacy Officer Privacy Office Office of Legal Services California Dept. of Public Health 1415 L Street, 5 th Floor Sacramento, CA 95814 Email: privacy@cdph.ca.gov Telephone: (877) 421-9634	Chief Information Security Officer Information Security Office California Dept. of Public Health P.O. Box 997377 MS6302 Sacramento, CA 95899-7413 Email: cdphiso@cdph.ca.gov Telephone: (855) 500-0016	Assistant Chief Counsel, Public Health Programs Office of Legal Services California Dept. of Public Health 1415 L Street, 5 th Floor Sacramento, CA 95814 Telephone: (916) 558-1710

XII. Documentation of Disclosures for Requests for Accounting: The Contractor shall document and make available to CDPH or (at the direction of CDPH) to an Individual such disclosures of CDPH PCI, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of personal information as or any applicable state or federal law.

XIII. Requests for CDPH PCI by Third Parties: The Contractor and its employees, agents, or subcontractors shall promptly transmit to the CDPH OLS all requests for disclosure of any CDPH PCI requested by third parties to the agreement between the Contractor and CDPH (except from an Individual for an accounting of disclosures of the individual's personal information pursuant to applicable state or federal law), unless prohibited from doing so by applicable state or federal law.

The Contractor and its employees, agents, or subcontractors shall transmit in writing to CDPH Office of Legal Services all requests for disclosure of CDPH PCI from parties other than CDPH WIC within one business day.

Subpoena, search warrant, or other litigation involved requests: **In the event that a subpoena, search warrant, or other litigation involved request for CDPH PCI is received by the Contractor, the Contractor shall immediately notify the CDPH Office of Legal Services contact by telephone call** in order to allow CDPH WIC to follow the procedures and restrictions imposed by 7 Code of Federal Regulations part 246.26(i). CDPH shall be the party with sole authority to determine whether any, and specifically what, information may be produced.

XIV. Audits, Inspection and Enforcement CDPH, USDA, or representatives of the Comptroller General of the United States may inspect the facilities, systems, books and records of the Contractor to monitor

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compliance with this Exhibit. The Contractor shall promptly remedy any violation of any provision of this Exhibit and shall certify the same to the CDPH Program Contract Manager in writing.

- XV. Return or Destruction of CDPH PCI on Expiration or Termination: Upon expiration or termination of the agreement between the Contractor and CDPH for any reason, the Contractor shall securely return or destroy the CDPH PCI. If return or destruction is not feasible, the Contractor shall provide a written explanation to the CDPH Program Contract Manager, the CDPH Privacy Officer and the CDPH Chief Information Security Officer, using the contact information listed in Section XI(F), above.
- A. Retention Required by Law: If required by state or federal law, the Contractor shall retain, after expiration or termination, CDPH PCI for the time specified as necessary to comply with the law. Pursuant to 7 C.F.R. part 246.25(a)(2), if records related to the agreement between the Contractor and CDPH, including CDPH PCI, is not returned to CDPH upon the termination of the agreement, all records shall be retained for a minimum of three years. If any litigation, claim, negotiation, audit or other action involving the CDPH PCI shared under this agreement has commenced before the end of the three-year period, the records shall be kept until all issues are resolved, or until the end of the regular three-year period, whichever is later. If USDA or any unit thereof deems any of the CDPH PCIs to be of historical interest, it may require the Contractor to forward such records to USDA or any unit thereof whenever the Contractor is disposing of them.
- B. Obligations Continue Until Return or Destruction: The Contractor's obligations under this Exhibit shall continue until the Contractor returns or destroys the CDPH PCI or returns the CDPH PCI to CDPH; provided however, that on expiration or termination of the agreement between the Contractor and CDPH, the Contractor shall not further use or disclose the CDPH PCI except as required by state or federal law.
- C. Notification of Election to Destroy CDPH PCI: If the Contractor elects to destroy the CDPH PCI, the Contractor shall certify in writing, to the CDPH Program Contract Manager, the CDPH Privacy Officer and the CDPH Chief Information Security Officer, using the contact information listed in Section XI(F), above, that the CDPH PCI has been securely destroyed. The notice shall include the date and type of destruction method used.
- XVI. Amendment: The parties acknowledge that federal and state laws regarding information security and privacy rapidly evolves and that amendment of this Exhibit may be required to provide for procedures to ensure compliance with such laws. The parties specifically agree to take such action as is necessary to implement new standards and requirements imposed by regulations and other applicable laws relating to the security or privacy of CDPH PCI. The parties agree to promptly enter into negotiations concerning an amendment to this Exhibit consistent with new standards and requirements imposed by applicable laws and regulations.
- XVII. Assistance in Litigation or Administrative Proceedings: The Contractor shall make itself and any subcontractors, workforce employees or agents assisting the Contractor in the performance of its obligations under the agreement between the Contractor and CDPH, available to CDPH at no cost to CDPH to testify as witnesses, in the event of litigation or administrative proceedings being commenced against CDPH, its director, officers or employees based upon claimed violation of laws relating to security and privacy, which involves inactions or actions by the Contractor, except where the Contractor or its subcontractor, workforce employee or agent is a named adverse party.

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- XVIII. No Third-Party Beneficiaries: Nothing express or implied in the terms and conditions of this Exhibit is intended to confer, nor shall anything herein confer, upon any person other than CDPH or the Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- XIX. Interpretation: The terms and conditions in this Exhibit shall be interpreted as broadly as necessary to implement and comply with regulations and applicable federal and State laws. The parties agree that any ambiguity in the terms and conditions of this Exhibit shall be resolved in favor of a meaning that complies and is consistent with federal and state laws and regulations.
- XX. Survival: If the Contractor does not return or destroy the CDPH PCI upon the completion or termination of the Agreement, the respective rights and obligations of the Contractor under Sections VI, VII, XI, and XIII of this Exhibit shall survive the completion or termination of the agreement between the Contractor and CDPH.

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Attachment 1
Contractor Data Security Standards

1. General Security Controls

- A. **Confidentiality Statement.** All persons that will be working with CDPH PCI must sign a confidentiality statement. The statement must include at a minimum, General Use, Security and Privacy safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to CDPH PCI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for CDPH inspection for a period of three (3) years following contract termination.
- B. **Background check.** Before a member of the Contractor's workforce may access CDPH PCI, the Contractor must conduct a thorough background check of that worker and evaluate the results to assure that there is no indication that the worker may present a risk for theft of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.
- C. **Workstation/Laptop encryption.** All workstations and laptops that process and/or store CDPH PCI must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher. The encryption solution must be full disk unless approved by the CDPH Information Security Office.
- D. **Server Security.** Servers containing unencrypted CDPH PCI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.
- E. **Minimum Necessary.** Only the minimum necessary amount of CDPH PCI required to perform necessary business functions may be copied, downloaded, or exported.
- F. **Removable media devices.** All electronic files that contain CDPH PCI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smart devices tapes etc.). PCI must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher.
- G. **Antivirus software.** All workstations, laptops and other systems that process and/or store CDPH PCI must install and actively use a comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- H. **Patch Management.** All workstations, laptops and other systems that process and/or store CDPH PCI must have operating system and application security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.
- I. **User IDs and Password Controls.** All users must be issued a unique user name for accessing CDPH PCI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password.

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Passwords are not to be shared. Must be at least eight characters. Must be a non-dictionary word. Must not be stored in readable format on the computer. Must be changed every 60 days. Must be changed if revealed or compromised. Must be composed of characters from at least three of the following four groups from the standard keyboard:

- Upper case letters (A-Z)
- Lower case letters (a-z)
- Arabic numerals (0-9)
- Non-alphanumeric characters (punctuation symbols)

- J. **Data Sanitization.** All CDPH PCI must be sanitized using NIST Special Publication 800-88 standard methods for data sanitization when the CDPH PCI is no longer needed.

2. System Security Controls

- A. **System Timeout.** The system must provide an automatic timeout, requiring reauthentication of the user session after no more than 20 minutes of inactivity.
- B. **Warning Banners.** All systems containing CDPH PCI must display a warning banner each time a user attempts access, stating that data is confidential, systems are logged, and system use is for business purposes only. User must be directed to log off the system if they do not agree with these requirements.
- C. **System Logging.** The system must maintain an automated audit trail which can identify the user or system process which initiates a request for CDPH PCI, or which alters CDPH PCI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. This logging must be included for all user privilege levels including, but not limited to, systems administrators. If CDPH PCI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.
- D. **Access Controls.** The system must use role based access controls for all user authentications, enforcing the principle of least privilege.
- E. **Transmission encryption.** All data transmissions of CDPH PCI outside the contractor's secure internal network must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher. Encryption can be end to end at the network level, or the data files containing CDPH PCI can be encrypted. This requirement pertains to any type of CDPH PCI in motion such as website access, file transfer, and E-Mail.
- F. **Intrusion Detection.** All systems involved in accessing, holding, transporting, and protecting CDPH PCI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

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3. Audit Controls

- A. **System Security Review.** All systems processing and/or storing CDPH PCI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews shall include vulnerability scanning tools.
- B. **Log Reviews.** All systems processing and/or storing CDPH PCI must have a routine procedure in place to review system logs for unauthorized access.
- C. **Change Control.** All systems processing and/or storing CDPH PCI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

4. Business Continuity / Disaster Recovery Controls

- A. **Disaster Recovery.** The Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic CDPH PCI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this agreement for more than 24 hours.
- B. **Data Backup Plan.** The Contractor must have established documented procedures to securely backup CDPH PCI to maintain retrievable exact copies of CDPH PCI. The backups shall be encrypted. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and the amount of time to restore CDPH PCI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of CDPH data.

5. Paper Document Controls

- A. **Supervision of Data.** CDPH PCI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. CDPH PCI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.
- B. **Escorting Visitors.** Visitors to areas where CDPH PCI is contained shall be escorted and CDPH PHI shall be kept out of sight while visitors are in the area.
- C. **Confidential Destruction.** CDPH PCI must be disposed of through confidential means, using NIST Special Publication 800-88 standard methods for data sanitization when the CDPH PSCI is no longer needed.
- D. **Removal of Data.** CDPH PCI must not be removed from the premises of the Contractor except with express written permission of CDPH.

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- E. **Faxing.** Faxes containing CDPH PCI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending.
- F. **Mailing.** CDPH PCI shall only be mailed using secure methods. Large volume mailings of CDPH PHI shall be by a secure, bonded courier with signature required on receipt. Disks and other transportable media sent through the mail must be encrypted with a CDPH approved solution, such as a solution using a vendor product specified on the CALIFORNIA STRATEGIC SOURCING INITIATIVE.

**Desert Healthcare District – FFY2020-2022 Integrated Work Plan
Supplemental Nutrition Assistance Program-Education (SNAP-Ed) /
CalFresh Healthy Living grant**

Section A: OVERVIEW

Objective

Funding for Policy, Systems and Environmental (PSE) change strategies and activities to improve the nutrition and physical activity environment for SNAP-Ed eligible recipients.

PSE Strategies

Access to Healthy Foods

Policies, systems, and environmental changes that ensure food purchased, provided, or made available is healthy. *Includes policy, system and/or environmental work that increases access to fresh, healthy, locally sourced fruit and vegetables, as well as other healthy products. Healthy food can be procured from farms, gardens, grocers, food rescue organizations, and/or food distributors (of locally sourced products), i.e. farm to community or institution, purchasing systems, and partnerships.*

Behavioral Economics

Healthy behavior marketing activities, specifically at the point of decision, using economic incentives/methods for purchasing and consumption behavior.

Examples include placement of healthy foods, point of purchase prompts, pricing and other food access or restriction, and can also relate to physical activity. Activities can include work that addresses the pricing of food and beverage options to influence access. This may align with price matching or buyer incentive programs. Behavioral economics usually does not involve education but influences spontaneous or unconscious selections at the point of decision.

PSE Levels

Site Level: *Targeted SNAP-Ed allowable activities to establish, implement and sustain written policies, systems and environmental changes through comprehensive programming at the site level, and adaptable for each specific location (e.g. at a food pantry or school).*

Organizational Level: *Targeted SNAP-Ed allowable activities to establish, implement and sustain written policies, systems and environmental changes at the multi-site level. Organization level efforts would include work at a school district, park district or food bank meant to influence multiple sites under their jurisdiction.*

Community Level: *Targeted SNAP-Ed allowable activities to establish, implement and sustain written policies, systems and environmental changes at the community level. Community is defined as work in neighborhoods, communities and jurisdictions (e.g. cities, districts and counties). Community level efforts may involve work to mobilize multiple sectors or partners (food pantry, schools, government programs, non-profits, etc.) to promote and support common SNAP-Ed goals.*

Desert Healthcare District – FFY2020-2022 Integrated Work Plan

Supplemental Nutrition Assistance Program-Education (SNAP-Ed) / CalFresh Healthy Living grant

Funding Priorities

- 1) Increase access to and consumption of healthy foods and beverages, with an emphasis on increasing consumption of water.
- 2) Decrease access to and consumption of less healthy foods and beverages, with an emphasis on decreasing consumption of Sugar Sweetened Beverages (SSBs).
- 3) Increase physical activity.

Population Served

SNAP-Ed eligible Californians with annual household incomes at or below 185 percent of the Federal Poverty Level (FPL) and populations disproportionately impacted by obesity and chronic diseases related to diet and physical activity.

Site List

Prior to conducting SNAP-Ed activities at a site, the subcontractor shall verify the site qualifies using the approved targeting methodology below. Once verified, the subcontractor will request RUHS-PH to add the site to the Riverside County site list.

- Means-Tested Settings (Food Pantries)
 - Means-tested settings are qualified by the population they serve and not by their physical location. These sites offer a high likelihood of reaching individuals eligible for CalFresh while they are seeking other services.

Educational Materials and Resources

All educational materials, resources and curriculum shall be SNAP-Ed approved and appropriate for the intended SNAP-Ed audience (considering age, ability, language, interest, etc). Each activity will list the approved curriculum, toolkit, and/or resources used.

Annual Reporting Expectations

1. Biannual Progress Report

Subcontractor will be required to submit to RUHS-PH a Mid-Year Report due early April and Year End Report due early October.

2. PEARS

Subcontractor must use the online Program Evaluation and Reporting System (PEARS) to provide information necessary to complete the federally required Education and Administrative Reporting System (EARS) reporting, as well as to report additional program and evaluation activities and outcomes of interest to California SNAP-Ed.

Desert Healthcare District – FFY2020-2022 Integrated Work Plan
Supplemental Nutrition Assistance Program-Education (SNAP-Ed) /
CalFresh Healthy Living grant

PEARS is designed to link data with local, state, and national objectives, allowing RUHS-PH and subcontractors to more effectively measure and report program impact.

All PEARs reporting must be completed during the Federal Fiscal Year (October 1 – September 30) to which it relates, and should be kept current on a monthly basis, at minimum.

Subcontractor will report their activities in the following five PEARs modules:

- **PSE**
Subcontractor must use the PSE module to track efforts to make policy, system, and environment (PSE) changes at all stages from planning to maintenance. This module should be completed for all sites and organizations that are involved in SNAP-Ed supported PSE efforts, and include sustainability and reflection.
- **Indirect Activities**
Subcontractor must report all distribution of information and resources, including any mass communications, community events, posters, advertisements, and materials distributions that are not considered direct education in the Indirect Activities module.
- **Success Stories**
Subcontractor must submit at least one PSE-related success story annually. The story should relate to PSE efforts that happened during the Federal Fiscal Year in which it took place and follow the instructions provided by RUHS-PH.
- **Partnerships**
Subcontractor must use this module to report any non-funded, unobligated partners that willingly donate free materials or services, in direct support for CalFresh Healthy Living activities or PSE efforts.
- **Coalition**
Subcontractor must use this module to report any multi-sector coalition activities or other relevant collective impact initiatives with a robust variety of partners contributing.

3. Assessment Tool Data

Site level assessment tools are intended to assist with program planning and can be useful to assess changes in institutional policies and practices over time. Assessment tools for priority settings will be made available to subcontractors for food banks and food pantry sites.

All subcontractors must complete an annual assessment of all sites where they are doing site-level PSE SNAP-Ed work in all settings for which standardized assessment tools are made available.

**Desert Healthcare District – FFY2020-2022 Integrated Work Plan
Supplemental Nutrition Assistance Program-Education (SNAP-Ed) /
CalFresh Healthy Living grant**

Section B: Integrated Work Plan (FFY2020 – FFY2022)

SHOP DOMAIN

(Activities to be conducted in Desert Hot Springs, Thousand Palms, Cathedral City and Palm Springs.)

Setting: Food Banks and Food Pantries

PSE Strategy: Access to Healthy Foods
Behavioral Economics

PSE Sub-Strategy: Healthy Procurement
Capacity Building for Food Distribution
Site or Organizational Wellness Policy
Places that Sell or Distribute Food and Beverages
Water Access and Appeal

PSE Level: Site, Organizational and Community Level

Goal: Over three years, work with 10+ food pantry sites to reach 5,000 food pantry recipients with PSE Strategy/Sub-Strategy efforts.
(Annually, work with at least 3+ sites, reaching 1,660+ recipients.)

ACTIVITY DESCRIPTION

ASSESSMENT (ASMT)

Annually, assess readiness, environment and client-need of food pantry sites using approved surveys to identify facilitators and barriers for healthy food access. Assess marketing and promotion at food pantry sites.

Resources/ Materials: Site Assessment Survey (RUHS-PH to provide)

Evaluation Type: Process (PEARS)

Documentation/Deliverable: Site Assessment Survey results

COMMUNITY ENGAGEMENT (CE)

- a) Annually, survey pantry recipients to improve and/or expand quality and/or variety of healthy foods and beverages distributed.
- b) Annually, educate key decision makers such as pantry site director and lead volunteers on the benefits of improving marketing and promotion of healthy foods, healthy procurement, and water access and appeal at places that distribute food. Promote the importance of healthy site policies that include nutrition standards inclusive of healthy procurement and distribution.
- c) Annually gather client, volunteer, staff and community feedback on the needs and desires related to healthy food pantries. Share program information and strategies for pantry improvement with pantry management and other appropriate stakeholders.

**Desert Healthcare District – FFY2020-2022 Integrated Work Plan
Supplemental Nutrition Assistance Program-Education (SNAP-Ed) /
CalFresh Healthy Living grant**

- d) Meet, share and/or gather data from assessments, community engagement activities, implementation progress, successes, solutions for challenges, and report results with community stakeholders. Engage partners with common goals to leverage relationship and support potential funding opportunities.

Resources/ Materials: Consumer Survey (RUHS-PH to provide)

Evaluation Type: Process (PEARS), Formative (Consumer survey results)

Documentation/Deliverable: Survey and Questionnaire results

COORDINATION and COLLABORATION: Partnerships & Coalitions (C&C)

- a) Annually, coordinate and collaborate with local partners and coalitions, including County Nutrition Action Partnership (CNAP), food banks, churches, hospitals, schools and various non-profits. Identify and meet with appropriate partners for program planning and implementation. Establish, cultivate and maintain relationships with funded and unfunded partners to foster a collaborative approach to food pantries.
- b) Annually, coordinate and collaborate with local partners and coalitions, such as CNAP. Meet and work with appropriate committees and work groups engaged in planning, implementation and maintenance of food pantry PSE efforts.

Resources/ Materials: Consumer Survey (RUHS-PH to provide)

Evaluation Type: Process (PEARS)

Documentation/Deliverable: Meeting agendas and/or notes

TRAINING and TECHNICAL ASSISTANCE (T&T)

Annually, provide ongoing technical assistance and training to pantry and food distribution volunteers/leaders to support PSE activities such as purchased and donated food policies, pantry and distribution set up, complementary environment changes (e.g. signage), behavioral economics, and healthy food and beverage selection. Annually, conduct at least one training. If feasible, provide opportunity for partner agency staff or volunteers to visit the EatFresh.org website for additional resources.

Resources/ Materials: SNAP-Ed approved materials

Evaluation Type: Process (PEARS)

Documentation/Deliverable: Training sign-in sheet

INDIRECT EDUCATION (IE)

Annually, engage SNAP-Ed eligible population using indirect education strategies and channels to share healthy eating and active living information. Reinforce nutrition messages with signage, posters, recipes, events and/or flyers. Promote and support access to healthy foods, water access and appeal, site or organizational wellness policy, healthy procurement, and capacity building for food distribution.

Resources/ Materials: SNAP-Ed approved materials

Evaluation Type: Process (PEARS)

Documentation/Deliverable: Poster and brochure form, community event form, and/or event flyer

FFY 2020 CalFresh Healthy Living Budget

Organization Name: (CDPH) California Dept. of Public Health
 County/Jurisdiction: Riverside University Health System- Public Health
 Contracts/Sub-Grant/Agreement: Desert Healthcare District

Budget Adjustment		Staffing: Salary/Benefits:											Budget Adjustment	
Position #	Add Delete Increase Decrease	Last Amount Approved	Position Title	Position Name	SNAP-Ed Time Spent: % of SNAP-Ed Time Spent on Mgmt/Admin	SNAP-Ed Time Spent: % of SNAP-Ed Time Spent on Direct SNAP-Ed Delivery	Annual Salary	FTE	Total SNAP-Ed Salary	Benefit Rate	Total SNAP-Ed Benefits	SNAP-Ed Admin Costs	Total SNAP-Ed Funded Salary and Benefits	Budget Justification
1			Administrator (e.g. Director of Programs)	TBD	80.00%	20.00%	\$101,843.00	0.15	\$15,276.45	34.00%	\$5,193.99	\$16,376.35	\$20,470.44	
2			Health Educator	TBD	40.00%	60.00%	\$49,000.00	1	\$49,000.00	35.34%	\$17,316.60	\$26,526.64	\$66,316.60	
3			Accounting Manager	TBD	100.00%	0.00%	\$66,040.00	0.17	\$11,226.80	34.00%	\$3,817.11	\$15,043.91	\$15,043.91	
4									\$0.00		\$0.00	\$0.00	\$0.00	
5									\$0.00		\$0.00	\$0.00	\$0.00	
Total Staffing: Salaries/Benefits:							1.32		\$75,503		\$26,328	\$57,947	\$101,831	

* Provide narrative in Budget Justification column for Benefit Rates over 90%

Definition and basis for calculations of benefit rate(s): Includes payroll taxes, medical/dental benefits, and retirement as a percentage of salaries
 (Describe what is covered in the benefit rate for your agency)

FFY 2020 CalFresh Healthy Living Budget

Organization Name: (CDPH) California Dept. of Public Health
 County/Jurisdiction: Riverside University Health System- Public Health
 Contracts/Sub-Grant/Agreement: [Desert Healthcare District](#)

Budget Adjustment		Travel: In-State														Budget Adjustment	
Item #	Add Delete Increase Decrease	Last Amount Approved	Position Title/Name	Location	Description and Justification	Trips	FTE	Days	Nights	Per Diem	Lodging	Air	Miles (\$.58)	Reg Fee	Other	Total	Budget Justification
1			Administrator - TBD, Health Educator TBD, Accounting Manager - TBD	Regional	Mileage/Carpool for SOW; may include Coalition/promising practice events, training, meetings, site visits, events, local conferences. Designated attendees determined by meetings, site visits and any training topics.	280	1.2						25			\$4,040.00	
2			Health Educator - TBD	Southern CA- Orange County	SNAP-Ed LIA FORUM; etc. Other includes parking and ground transportation (not limited - taxi (only if most economical option), shuttle service and/or car rental).	1	1	3	2	\$46.00	\$120.00				\$50.00	\$428.00	
3																\$0.00	
4																\$0.00	
Total In-State Travel:																\$4,468	

- Lodging costs include taxes. Reimbursement at CalHR rates.
- Provide narrative in Description and Justification column describing all expenses for each budget line item

Budget Adjustment		Travel: Out-of-State														Budget Adjustment	
Item #	Add Delete Increase Decrease	Last Amount Approved	Position Title/Name	Location	Description and Justification	Trips	FTE	Days	Nights	Per Diem	Lodging	Air	Miles (\$.58)	Reg Fee	Other	Total	Budget Justification
1			N/A													\$0.00	
2																\$0.00	
3																\$0.00	
Total Out-of-State Travel:																\$0	

- Lodging costs include taxes. Reimbursement at CalHR rates.
- Provide narrative in Description and Justification column describing all expenses for each budget line item

Total Travel:	\$4,468
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FFY 2020 CalFresh Healthy Living Budget

Organization Name: (CDPH) California Dept. of Public Health
State-Level Project: Riverside University Health System- Public Health
Contracts/Sub-Grant/Agreement: Desert Healthcare District

Budget Adjustment		Non-Capital Equipment/Supplies:								Budget Adjustment	
Item #	Add Delete Increase Decrease	Last Amount Approved	Budget Item	Description and Justification	FTE	Cost Per Item	# of Items		Total	Budget Justification	
1			Office Supplies	General supplies: Such as Binders, pens, notepads, paper clips, staples, tape, markers, paper, flip charts, etc. Printer Ink cartridges and color cartridges	1.32	\$72.50	12		\$1,148.40		
2									\$0.00		
3									\$0.00		
<i>Theft-sensitive equipment/supplies that are less than \$5,000 (Computers, printers, projectors, etc.)</i>											
1									\$0.00		
2									\$0.00		
3									\$0.00		
Total Non-Capital Equipment/Supplies:									\$1,148		

• Provide narrative in Description and Justification column describing all expenses for each budget line item

Budget Adjustment		Materials:								Budget Adjustment	
Item #	Add Delete Increase Decrease	Last Amount Approved	Budget Item	Description and Justification	Cost per Item	# of Items		Total	Budget Justification		
1			Food Demonstration Materials	Supplies for taste testing demos: Cups, spoons, napkins, bowls, knives, trash cans, etc	\$0.50	1006		\$503.00			
2			Food Demonstration Ingredients	Food for taste testing demos: Ingredients of NEOP approved recipes.	\$0.50	1600		\$800.00			
3			Printing Costs	Paper for printing flyers, surveys, worksheets, etc.	\$25.00	50		\$1,250.00			
4								\$0.00			
5								\$0.00			
Total Materials:									\$2,553		

• Provide narrative in Description and Justification column describing all expenses for each budget line item

Budget Adjustment		Building/Space:								Budget Adjustment	
Item #	Add Delete Increase Decrease	Last Amount Approved	Location Name/Address	Calculation Description	FTE	Cost per Month	# of Month(s)		Total	Budget Justification	
1			N/A						\$0.00		
2									\$0.00		
3									\$0.00		
Total Building/Space:									\$0		

• Provide narrative in Calculation Description column describing the calculation for each budget line item

Budget Adjustment		Maintenance:								Budget Adjustment	
Item #	Add Delete Increase Decrease	Last Amount Approved	Location Name/Address	Calculation Description	FTE	Cost per Month	# of Month(s)		Total	Budget Justification	
1			N/A						\$0.00		
2									\$0.00		
3									\$0.00		
Total Maintenance:									\$0		

• Provide narrative in Calculation Description column describing the calculation for each budget line item

Budget Adjustment		Equipment and Other Capital Expenditures (Items that are \$5,000 or more):								Budget Adjustment	
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FFY 2020 CalFresh Healthy Living Budget

Item #	Add Delete Increase Decrease	Last Amount Approved	Budget Item	Description and Justification	FTE	Cost per Item	# of Item(s)	Misc.	Total	Budget Justification
1			N/A						\$0.00	
2									\$0.00	
3									\$0.00	
Total Equipment and Other Capital Expenditures:									\$0	

• Provide narrative in Description and Justification column describing all expenses for each budget line item

		Budget Adjustment	Budget Adjustment	Contracts/Sub-Grants/Agreements:					Budget Adjustment
Item #	Add Delete Increase Decrease	Last Amount Approved	Organization Name	Description of Service(s)			Total Grant	Budget Justification	
<i>Contracts/Sub-Grants/Agreements that are \$25,000 or more</i>									
A			N/A						
B									
C									
<i>Contracts/Sub-Grants/Agreements that are less than \$25,000</i>									
1			N/A						
2									
3									
Total Contracts/Sub-Grants/Agreements:								\$0	

• Provide narrative in Description of Service(s) column summarizing the work that will be performed for each budget line item

Total Direct Costs: \$110,000

		Budget Adjustment	Budget Adjustment	Indirect Costs:					Budget Adjustment
Item #	Add Delete Increase Decrease	Last Amount Approved	Indirect Cost Rate	Calculation Method	Total Admin/ Program Dollars		Total	Budget Justification	
1			N/A				\$0.00		
Total Indirect Costs:							\$0		

• Provide narrative in the Calculation Method column explaining the line items included in the calculation

Total Budget: \$110,000



Date: October 28, 2019

DHCD Progress Report #2019-3 for reporting period: July 1, 2019 to September 30, 2019

Grantee: Coachella Valley Association of Governments (CVAG)

Project Title: CV Link Project

Project Manager/ Contact: Martin Magaña, Director of Transportation (mmagana@cvag.org)

1. Provide a brief summary of the organization and the objectives of the project.

The Coachella Valley Association of Governments (CVAG) is a regional Joint Powers Authority that serves the nine cities, the County of Riverside, and three Indian Tribes within the Coachella Valley. CVAG's jurisdiction stretches across eastern Riverside County, and its membership includes the City of Blythe on the California-Arizona border.

CV Link is an alternative transportation corridor that runs generally along the levee of the Whitewater River that will ultimately stretch from the northwest corner of the CVAG area (Desert Hot Springs) to the southeast corner (the Salton Sea). The core project will generally stretch from the City of Palm Springs to the City of Coachella. The project approved under the Final Environmental Impact Report is approximately 40 miles but, does not extend through the Cities of Rancho Mirage or Indian Wells. It will provide significant environmental, health, and economic benefits to generations of current and future residents and visitors. CV Link will connect users to employment centers, shopping centers, schools, and recreational opportunities. Dual paths are planned to accommodate bicycles, low-speed electric vehicles and pedestrians. This alternative transportation corridor will enable healthier lifestyles, spur economic innovation, and make the Coachella Valley a more sustainable and appealing place to live, work and play.

2. Summarize work completed during reporting period.

The finalizing the design plans continues. CVAG is currently updating the segmenting based on the feedback from its statewide partners. CVAG also is incorporating feedback from various partner agencies, including Coachella Valley Water District (CVWD), Riverside County Flood Control & Water Conservation District (RCFC&WCD) and local jurisdictions.



CVAG continues to work with the County of Riverside's Economic Development Agency (EDA) on right-of-way activities. This process involves securing easements, license agreements and some property purchasing. In this quarter, a number of additional easements were acquired, including ones from private landowners (Extra Space properties, Howard properties) and public landowners (City of Palm Springs, Desert Water Agency). CVAG and EDA continue to work with multiple property owners, including tribal allottees, to acquire the necessary right of way for CV Link. The process of negotiating with tribal allottees also involves the Bureau of Indian Affairs, making this a lengthy process.

On smaller bike and pedestrian projects, an agency would wait until all right-of-way is secured before beginning construction. However, the length and scale of CV Link supports a segmented approach. In May 2019, CVAG received approval from the California Transportation Commission (CTC) to segment CV Link in order to deliver large percentages of the project as soon as each segment's right-of-way is certified, rather than hold the entire project up while CVAG works through the process of securing access on tribal allottee parcels. Each of these segments and sub-segments have logical termini/connections. This segmenting means the project benefits can be realized sooner rather than later.

Perhaps the most significant progress occurred as it pertains to the work in the City of Palm Desert. The City has been anxious to get construction started as the Council strongly believes in the public health and public safety benefits of the project. In September, the CVAG Executive Committee and the City of Palm Desert City Council took a number of steps to finalize the route in the City and establish a construction schedule. This includes a cooperative agreement that lets the City be the lead agency on construction. It also included additional environmental work and modification of the CV Link design, which further improves accessibility to CV Link.

These approvals came after a series of public meetings and opportunity to incorporate feedback from the community. A recap can be found at the City's website: https://cityofpalmdesert.granicus.com/MetaViewer.php?view_id=&event_id=313&meta_id=79500

Additionally, during this reporting period, CVAG has worked with the City of Palm Springs to close out the final paperwork for a 4,100-foot-long stretch of CV Link that has been built on the Tahquitz Creek Levee adjacent to Demuth Park.

3. What challenges and opportunities have you encountered in accomplishing this portion of your Scope of Work?

As was reported in the last progress report, while progress is being made, the acquisition of right of way continues to be a lengthy process. This is due, in large part, to the sheer number



of private property owners and tribal allottees who need to be contacted to negotiate the required easements for CV Link. As mentioned above, offer packages have been sent out to all property owners, but there are cases where CVAG is still awaiting responses. Multiple attempts have been made, and CVAG and EDA continue to work through this process.

CVAG has also faced a very public challenge as it pertains to the certainty and timing of CV Link's funding plan. Comments made and information presented at the Desert Healthcare District during meetings in September have raised questions in the press about whether the District plans to reconsider its \$10 million commitment, which was finalized in 2013 and is the subject of a Memorandum of Understanding between CVAG and the District. Per the District's request, CVAG has provided literally hundreds of pages of documentation about the work that has been conducted under the MOU. The comments from the District – which have been repeated in multiple media outlets – are of deep concern to CVAG and can have a dramatic impact on the 2020 construction plans. As such, CVAG has notified the City of Palm Desert that the City cannot start construction until the funding issues associated with the Desert Healthcare District have been addressed a a grant contract is finalized. (A copy of the letter was earlier provided to the District) Per the City's request, the Palm Desert section is being funded with local funding, and not any state or federal funds. This, coupled with the fact that the City was going to be the next to break ground, makes the Palm Desert segment particularly susceptible to any funding disruptions or delays. Unfortunately, should a grant contract not be finalized with the District swiftly, CVAG may have to cancel part or all of the project within City limits.

4. Is your project on schedule?

The CV Link project schedule has been revised over the years to adjust to changes in the project which meant it took longer for CVAG to finalize the Master Plan and, also added time to the environmental review as alternatives were analyzed to state and federal environmental standards. The CTC vote in May 2019 of last quarter gave CVAG the opportunity to review the schedule. It is anticipated that CVAG will release a request for proposals this quarter to hire a construction manager. The construction manager will be tasked in the final quarter to work with CVAG to prepare the project to go out to bid to start construction next year.

5. Provide an update on the financial report for the project.

CVAG has received funding from an array of sources, which is reflective of the broad support the project has. Funding to date:

State Active Transportation Program: \$21,692,000

CVAG Transportation Funds: \$20,000,000

State Transportation Improvement Program: \$18,655,000



South Coast Air Quality Mitigation District: \$17,400,000
Federal Congestion Mitigation and Air Quality: \$12,600,000
Desert Healthcare District: \$10,000,000
California Strategic Growth Council: \$1,000,000
Riverside County Parks: \$750,000
Bicycle Transportation Account Grant: \$748,500 (secured with Cathedral City)
Caltrans Environmental Justice Grant: \$291,000 (secured with Palm Desert)

6. Work planned for next reporting period.

In the next reporting period, CVAG anticipates the following milestones:

1. Finalize a grant contract with DHCD that outlines the payment schedule for the \$10 million that the DHCD committed to the project.
2. Acquire additional right of way for CV Link.
3. Hire a Construction Management firm to assist CVAG in all the pre-construction activities required prior to going out to bid.
4. Possibly obtain an allocation of construction funds from the CTC to start construction.

CVAG anticipates the next phase will include about 15 miles of CV Link. Construction should start in 2020, making it the project's biggest year yet. The plan is to have multiple construction sites at the same time, but the exact timeline and completion date will be worked out once CVAG hires a contractor. However, this plan is largely dependent on finalizing a grant contract with the DHCD.

As always, CVAG welcomes input on any of these issues, as your feedback as a participatory partner in the project is important to our progress and the finalization of the design, right of way and construction of CV Link.

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Of Counsel
JAMES R. DODSON

Date: November 22, 2019

To: Board of Directors
Dr. Conrado E. Barzaga, CEO
Desert Healthcare District/Foundation

From: Jeffrey G. Scott, General Counsel

Re: **2019 Legislative Bills of Interest - Desert Healthcare District**

We are now past the first legislative year of Governor Newsom's term which saw him take an ambitious approach to several big policy areas including housing affordability, expanding health coverage, reducing drug pricing, and addressing homelessness. Of the 1,042 bills that made it to his desk he signed 870 and vetoed 172. His veto rate at 16.5% was slightly higher than Governor Brown.

The first year for Governor Newsom did not come without some bumps in the road. As the Legislature moved towards the end of session in mid-September, with numerous bills ready to be sent to the Governor, the Governor began to "signal" he was not ready for some bills and provided some last-minute amendments on other bills. Additionally, it is my understanding that a few State departments, that would normally provide input to Legislators on their bills, had been silent. This led to frustration from Legislators on the uncertainty as to the fate of their bills.

The frustration was particularly evident with SB 276 (Pan). This bill was targeting the increase in medical exemptions for children to be vaccinated that were being generated by a small number of physicians. The "anti-vax" community had been extremely vocal, and in some situations aggressive with Legislators, which was making them very uncomfortable. The Governor did weigh in on SB 276 providing some amendments roughly half-way through the session which he then said would result in him supporting the bill. At the very end of session, he unexpectedly came back and asked for more amendments before he would sign the bill. It is my understanding that the hallway rumors on the last night of the session was how the Legislature was growing more and

more frustrated with the Governor which may have contributed to the Legislature passing SB 1 (Atkins) when the Governor had been communicating, he did not want the bill. SB 1 is the bill that would codify in state law certain federal regulations that President Trump has indicated he wants to change. SB 1 was vetoed.

Looking back on the year, there are several bills and budget actions which were taken which impact healthcare. Included below are a few of those actions.

Budget Actions

Through the budget bill signed in June it accomplished several his key health initiatives including:

- Create a State individual mandate with a penalty for not having health insurance
- With the penalties collected, use those funds to increase and expand subsidies for people purchasing health insurance
 - The State subsidy plan will provide \$428 million in 2020, \$479 million in 2021, and \$547 million in 2022.
 - The State subsidy plan is available to those with income at or below 138% of the federal poverty level (FPL) and between 200% and 600% of FPL.
 - It is estimated in 2020 that 922,000 Californians will be eligible for subsidies.
- Expand Medi-Cal coverage of undocumented immigrants increasing from up to age 18 to up to age 26.
- **\$20 million to create a grant program for hospitals to apply for up to \$50,000 to fund a drug and alcohol counselor to work in the emergency department.** This program is designed after a pilot program at UC Davis' emergency department where having a drug and alcohol counselor saw good results by connecting many patients, with an underlying addiction, with services to treat their addiction problem. This was shown to reduce costs significantly as many of these patients were frequent users of the emergency department.

Actions Created by Executive Order

Create a single purchaser system for drugs for Medi-Cal program.

- The Governor also wants to allow for other local governments and employers to join the system to further strengthen their bargaining with pharmaceutical companies. Los Angeles, Santa Clara, Alameda, and San Francisco counties have announced their intention of partnering with the state on this effort.

Governor Newsom is still talking about moving towards a “single payer” health system. It is not clear what exactly he means by “single-payer.” A task force was created through legislation last year to look at what the State needs to do when considering moving to a single-payer system, but its Commissioners have not been announced.

Below are a few important bills related to health care:

SB 697 (Caballero) – Signed by the Governor - Although this is not a “scope” bill, it does reduce some of the administrative burdens for physicians when supervising physician assistants. The California Medical Association (CMA) advocated that by reducing administrative burdens physicians will use more PAs which will increase access to care.

AB 1611 (Chiu) – Stalled in Senate Health – Two-Year Bill - This bill would prohibit “balance billing” by hospitals for emergency services. Balance billing is the situation where a patient who has insurance ends up at a hospital to receive emergency services and the hospital does not have a contract with the patient’s health insurance company. When the hospital bills the patient’s insurance company and does not receive what they charge they send the patient a bill for the “balance” of the bill. This bill would provide in this situation, the patient would only owe their deductible and/or co-pay. The bill also outlines what the hospital would be paid in those situations. This was a hotly contested bill and was made into a two-year bill in the Senate Health Committee. There is also legislation at the federal level looking at the same issue which may have an impact.

SB 227 (Leyva) – Signed by the Governor - Several labor groups sponsored this bill which was opposed by a number of hospital groups and requires the Department of Public Health (CDPH) to periodically inspect hospitals for compliance with nurse-patient ratios. The bill also establishes specific administrative penalties for violations.

SB 758 (Portantino) – Stalled in Assembly Health Committee -This bill requires hospitals that have a building that is not in compliance with the January 1, 2030 seismic safety standard, to report to the Office of Statewide Health Planning and Development what services are provided in each building of that hospital. This is a two-year bill and is believed to be the bill to allow for negotiations around making some changes to the 2030 seismic standards.

AB 890 (Wood) – Held in Assembly Appropriations Committee - This bill would allow nurse practitioners (NPs) to practice independently. This bill has been attempted for several years and has never made it to the Governor. The bill was opposed by the California Medical Association (CMA) and did not pass out of the Assembly Appropriations Committee. The NPs continue to advocate this would help alleviate the access to care problems many Californians face with trying to see a physician.

AB 329 (Rodriguez) – Stalled in Assembly Public Safety – This bill would make an assault committed on the property of a public or private hospital punishable by imprisonment in a county jail not exceeding one year, by a fine not exceeding \$2,000, or by both that fine and imprisonment. By expanding the scope of a crime, this bill would impose a state-mandated local program.

AB 5 (Gonzalez) – Signed by the Governor – This bill creates several exemptions from the recent Dynamex court decision which dramatically reduced the ability to classify individuals as independent contractors. The Dynamex decision even called into question whether physicians could continue to be classified independent contractors. Through this bill, Physicians and other professionals were able to obtain an exemption.

What is Ahead for 2020

2020 may be a very busy year for healthcare legislation. There has been discussion that the Governor is very interested in pushing for cost containment measures and the Governor has also indicated he would like to explore ways to provide more services in a coordinated manner.