

2023-2024 KERN COUNTY GRAND JURY



SOUTHWEST HEALTHCARE DISTRICT

A Hidden Resource within the Community

Release Date

June 11, 2024

SOUTHWEST HEALTHCARE DISTRICT

A Hidden Resource within the Community



Photo by Grand Jury

SUMMARY:

Where are you? Where are you meeting this month? How can people who need your services find you? These are the questions being asked in the mountain communities of Lebec and Frazier Park regarding the Southwest Healthcare District (District). Over the past five years, District meetings were held at a hardware store, pizza parlor, a healthcare conference room, Board Members' private residences, and in the seniors' room of the recreation building. Were all these places Americans with Disabilities Act (ADA) compliant? In addition, locating the District and/or contacting members of the Board of Directors has been a herculean task. Even as of this date, the meeting days and start times of District Board meetings differ between the Mountain Communities Chamber of Commerce calendar and the District's recently discovered website (www.swhcd.org).

What comprises the Southwest Healthcare District? The District does not own healthcare facilities or operate from a specific office. For a District whose purpose is to serve the healthcare and wellness needs of their community, it is difficult to find current information regarding Board Members, meeting times, and places to seek assistance. If the public desires to contact the Board of Directors, the only options are to either leave a voicemail or send written correspondence to a PO Box in Frazier Park. Although the District's website became active in February 2024, it is not easily found through internet searches. The website is currently being updated on a regular basis, and the District is emerging from the shadows of obscurity into a vision of public transparency. The California Health and Safety Code requires that all hospital districts maintain a website with mandated information, such as Board Members' information, meeting times with agendas and supporting documents, and approved minutes.

A Glossary is provided to help understand terms used in this report.

PURPOSE OF INQUIRY:

An inquiry into the operations, management, and function of the Southwest Healthcare District was completed by the 2023-2024 Kern County Grand Jury (Grand Jury), which led to an investigation into the way the District was dispensing funds and conducting its public meetings. Pursuant to California Penal Code §933.5, the Grand Jury has the authority to investigate and report on the operations and management of all special districts within Kern County.

METHODOLOGY:

The Grand Jury researched topics about California's hospital districts, The Brown Act, California Government Codes, related topics via the internet, and interviews were conducted with present and past Board Members, and citizens from the Frazier Park and Lebec communities. The Grand Jury visited the Lebec and Frazier Park communities and also attended a meeting of the Board of Directors on April 4, 2024. Multiple documents, minutes, agendas, and website links were also reviewed. All material evidence and pronouncements used in this report were gathered by the Grand Jury.

Some of the documents reviewed, inspected, and used in this report include:

- California Health and Safety Codes
- California Civil Codes
- California Special Districts Association (CSDA) documents
- Kern Local Agency Formation Commission (LAFCo) documents
- Southwest Healthcare District Agendas and Minutes of Board Meetings
- Southwest Healthcare District Website
- Southwest Healthcare District Audit Reports
- *The Mountain Enterprise* weekly newspaper
- California Fair Political Practice Commission (FPPC) guidelines
- Mountain Communities Chamber of Commerce Website
- Mountain Communities Family Resource Center Website

DISCUSSION OF FACTS:

The Southwest Hospital District was incorporated on November 19, 1985, under the California Health and Safety Code §§32000 to 32492, as a government non-profit public entity. After separating from the West Side Hospital District, the Board of Directors changed the name of the District to the Southwest Healthcare District on November 13, 2000. The District was established in order to provide healthcare to residents within its boundaries by donating funds to not-for-profit organizations. The District's boundaries cover approximately 117 square miles within Kern County and include the communities of Wheeler Ridge, Grapevine, Lebec, Frazier

Park, Lake of the Woods, Pinion Pines, and Pine Mountain Club (See Appendix A for District Map).

The District operates without an office or administrative staff. The public has to call or email a Board Member to make contact with the District. The five-member Board of Directors is elected to four-year terms through the Kern County elections process. There was a vacancy on the Board, which was filled by appointment on April 4, 2024 (See Appendix C). The District is a member of the CSDA, operating through the Bylaws revised on July 14, 2022, and the District's Rules and Regulations, which were last revised on September 14, 2014. The District's website does not contain a complete set of its Bylaws, and the Rules and Regulations have yet to be posted.

The District distributes the taxpayer dollars collected through property taxes to health and wellness-related not-for-profit organizations within the mountain communities. Grants from the District can also provide funds to social and health-related community organizations. To apply, applicants must present financial reports and the purpose of the grant to the Board of Directors at an official board meeting. The Board will then vote to approve or deny the application.

Grant Recipients Year 2023 totaling \$132,846.98 as per recorded minutes:

- South Kern Search and Rescue \$ 26,378.72
- Frazier Mountain Little League \$ 1,045.30
- Mountain Communities Family Resource Center \$ 76,993.00
- Peak to Peak Charter School-Nurse \$ 15,500.00
- El Tejon Unified School District \$ 225.00
- Frazier Park Community Health Fair \$ 12,704.96
 - Lab Express Inc. \$ 6,898.00
 - Pro-Life Imaging \$ 5,280.00
 - Water and Muffins \$ 31.96
 - El Tejon Unified School District \$ 295.00
 - Castaic Lions Club Eye Testing \$ 200.00

Grant Recipients Year 2022 totaling \$126,125.91 as per recorded minutes:

- South Kern Search and Rescue \$ 23,570.00
- Mountain Communities Family Resource Center \$ 75,000.00
 - Water \$ 159.62
 - Water \$ 127.39
- Peak to Peak Charter School-Nurse \$ 15,000.00
- Frazier Park Community Health Fair \$ 159.90
 - Lab Express Inc. \$ 7,039.00
 - Pro-Life Imaging \$ 4,800.00
 - El Tejon Unified School District \$ 270.00

District Financials

The account balances of available funds as per the Board Meeting on April 4, 2024:
 \$105,929.19 in a bank account, \$303,403.33 in the Kern County Fund.

Yearly Statement of Activities

Activities	June 30, 2021	June 30, 2020	June 30, 2019
Expenses			
KC Property Adm Fee	\$ 1,421	\$ 1,451	\$ 286
Professional Fees	9,075	3,575	3,575
Board Fees	5,119	0	75
Advertising Publishing	60	0	0
Office Expense	61	1,175	1,430
Bank Service Charge	36	0	0
Computer Related Exp	1,545	0	0
Postal Costs	114	0	0
One Day Event	591	0	0
Storage	150	780	715
Total Admin	\$18,172	\$12,700	\$9,456
Revenues			
School Nurse	15,800	12,000	0
Health Fair Event	10,375	386	14,901
So. Kern Search & Rescue	16,964	0	14,918
Family Resource Center	37,000	68,000	32,306
Total Programs	\$80,139	\$90,086	\$82,081
Total General Revenues			
Property Taxes	\$ 131,665	\$ 119,140	\$ 114,459
Interest	3,328	4,481	2,237
Total General Revenues	\$134,993	\$123,621	\$116,696
Net Ending Position	\$ 396,828	\$ 360,146	\$ 326,611

Information from the District's outside Audit Reports

District Board Compensation

According to the California Special Districts Association Guidelines, *...in order to comply with Government Code section 53232.2, special districts generally must only reimburse board members for actual and necessary expenses incurred in the performance of official duties and adopt a written policy that specifies the types of expenses that may be reimbursed. Special*

districts should note the misuse of reimbursement funds can result in the loss of reimbursement privileges, civil penalties, and even criminal penalties.

Board Member compensation has been discussed, and action was taken at several Board Meetings. Minutes from the Board Meeting dated August 18, 2022, indicate a motion was passed to pay a Board Member an hourly rate of \$20 per hour for reorganization, detailing, and logging of historical documents. The next month, the Board voted to pay a Member \$1,100 for hours of filing at the approved rate of \$20 per hour. Minutes from the December 8, 2022 Meeting, indicate that a Board Member was paid for 80.5 hours of labor at \$20 per hour for filing documents.

Minutes from the Board Meeting dated August 10, 2023, indicated a motion to pay the bills included the invoice from a Board Member for \$1,400 for 70 hours of work at \$20 per hour. The January 4, 2024 Meeting Minutes indicated the Board increased the hourly wage to \$25 per hour.

As per California State Controller's Office, The District's Board Members, serving as elected officials, received compensation classified as Other Pay. This is the dollar amount paid to the employee for any other pay not reported as regular, overtime, or lump sum pay. Elected officials' pay reported on IRS Form 1099 is also included as Other Pay. Recent compensation for the five-member Board is as follows:

- Fiscal Year 2022: Total \$7,800 paid to five Board Members in varying amounts from \$900 up to \$3,760
- Fiscal Year 2021: Total \$1,200 paid \$600 each to two Board Members
- Fiscal Years 2019 and 2020: Total \$3,975 per year paid to five Board Members in varying amounts from \$750 up to \$825

Board Member Monthly Stipends:

The May 11, 2023 Board Meeting Minutes indicated a motion was passed to increase the Board Member stipend to \$80 from \$75 due to current Cost of Living Adjustment (COLA). This item was not listed on the agenda.

Another motion was passed to change Board Members stipends to \$30 per meeting, to go into effect September 10, 2023. This item was on the printed agenda.

During the Board Meeting dated October 9, 2023, another motion was passed to return the stipend to \$80; the item was not on the posted agenda.

According to the California Special Districts Association, Special District Board Member Compensation Guide, *...it reminds districts that the board can set their compensation rates but*

there are notable restrictions: 1) it must do so via ordinance, 2) the increase may not exceed 5% for each calendar year, and 3) voters may petition for a referendum on the ordinance increasing compensation. As part of the ordinance requirement, special districts boards must hold a public hearing for discussion of the compensation increase and publish a notice of the hearing.

Board Meetings:

The District's website states, "The Southwest Healthcare District Board meets on the first Thursday of each month at 5:30 pm. The meetings are now located at the Senior Center of the Frazier Park Community Building at 3801 Park Drive, Frazier Park, CA 93225. The Board may also schedule special meetings at other times when needed and should post notices according to the Brown Act."

The past four years of Board Meeting Minutes are available on the website. Not all agendas and minutes are the same. Printed agendas do not detail the discussion items, or the actions being requested. Many action items not on the agenda were voted and passed without available documentation, e.g., funding the Mountain Communities Family Resource Center, Health Fair, and no dollar amounts assigned to the actions taken. Board Meeting Minutes reflect only seven meetings were held in 2023 on different days and weeks of the month. In 2022, fourteen meetings were held at private residences. In 2021, only nine meetings were held via Zoom, the conference room at a health center and at private residences.

Meeting agendas do not specify the action being requested by the Board. The Board takes action on items that are not listed on the meeting agendas. Agendas do not give a general description of each item on the agenda. Supplemental documentation for agenda items is not available on their website or in print form for public review (See Appendix B). Minutes of Board meetings are very brief; many are only notes written on the meeting's agenda. Names of Board Members and guests present are not always listed in the minutes.

The Grand Jury attended the April 4, 2024 Board Meeting in Frazier Park and noted that agendas were not posted at either the Lebec or Frazier Park US Post Offices, or on the bulletin board at the Kern County Library at Frazier Park. There was no notice of the meeting or agenda posted on the meeting room door. The meeting was delayed ten minutes starting at 5:40 pm, to wait for a third Board Member to arrive, thus establishing a quorum. Aside from the three Board Members, two community members and four Grand Jury Members were present. One Board Member sat with their back to the public, making it difficult to hear all the discussion. Actions of the Board followed the printed agenda that was available at the meeting. The agenda was distributed by one of the Board Members, but it did not contain all the supporting documents.

At the April 2024 Board Meeting, a motion to pay the bills was passed by a 3-0-0 vote, which included a vote from a Board Member that was paid for their hours of labor. After a short interview with one prospective Board Member, the vote was 3-0-0 to fill the vacancy. There

were two other Letters of Interest, but neither candidate attended the meeting. The newly appointed Board Member **was not sworn in** at the meeting. A draft form for a Grant Request was also discussed, as well as the process to fill a public information request. The Board discussed updates to their website that would include a mission statement, forms, and other pertinent information to foster transparency. The meeting was adjourned a 6:19 pm. The public left the room, but the three Board Members and the new Board Member remained in the closed room for over 20 minutes. What were they discussing? There was no closed session posted on the agenda.

The District's Board meetings have been held at several different locations for the past four years. Not all locations met the ADA requirements. Board meetings were held at the following locations:

- Year 2020 - Clinica Sierra Vista Conference Room, Lebec, October to December meetings in Zoom
- Year 2021 - Zoom meetings, April to May meeting - Clinica Sierra Vista Conference Room, Lebec, June to December Board Member's house on Steinhoff Road
- Year 2022 - January to October meetings - Dream Weaver Ranch, Frazier Park, November meeting North Drive, Lebec
- Year 2023 – February meeting at a private residence on North Drive, Lebec, May meeting - Steinhoff Road, Frazier Park, July to August meetings - a local pizza parlor in Frazier Park, September to December meetings - Park Drive Recreation Building Senior Room
- Year 2024 - January to May meetings - Park Drive Recreation Building Senior Room, paid Kern County \$300 rental fee for the 2024 year

FINDINGS:

- F1. District Board meetings were held at several different locations and on different days of the month in the past, making it difficult for the public to plan and attend meetings. The lack of transparency ended up with a lack of **public input**.
- F2. Because of inconsistent posting of meeting times and locations, members of the public may be misinformed, especially if living outside the community of Frazier Park.
- F3. Proposed grants for funding were not always placed on the meeting's agenda for required public comment before acting on a request. Some grants were improperly approved without an application, letter of intent, or the knowledge of purposed expenses and/or expected outcomes.
- F4. Minutes of Board meetings do not reflect any accountability of grant expenses or the proposed benefit to the community that would be provided by the grants. Minutes are

very brief and do not name the Board Members present, resulting in the lack of public transparency.

- F5. Board Members' stipends varied from member to member, and from year to year, without explanation, as per the State Controller's Reports. It is unknown if some of the dollar amounts include hours of labor paid to Board Members. The Monthly Board stipends were changed without being placed on the agenda or through the resolution process and without public input or explanation.
- F6. Without a written policy, resolution, or ordinance approved by the Board in a public meeting, paying a board member to work an hourly rate may violate Government Code and FPPC guidelines.
- F7. District files including historical minutes, LAFCo documents, and Board Members' Form 700 documentation are currently stored in totes at the home of a Board Member. These District files are not open for public review, therefore lacking transparency.
- F8. The District's website is under development. The webpage links to Bylaws are outdated and not complete. The Mission Statement is blank, and the FAQs appear to be generic. Many other links to sections are vague, confusing the public.

COMMENTS:

The Grand Jury researched the internet, the local newspaper, and other websites for over a month before locating limited information and contact information for the Southwest Healthcare District. The California State Controller's Office, Kern LAFCo, and the Kern County Elections Office had very limited, outdated information pertaining to the operation and leadership of the District. The Grand Jury thanks the people that were interviewed for this investigation and provided information for this report.

RECOMMENDATIONS:

The 2023-2024 Kern County Grand Jury recommends the District:

- R1. Continue to update and maintain their website to meet all the requirements of California Health and Safety Code §32139, to include Board Members' contact information. This will be an on-going activity requiring monthly updates. (Finding 8)
- R2. Develop and publish a grant application form and the process for awarding annual grants. This application should explain the purpose of the grant, budget of expenses, and expected outcomes when the project is completed. The approved application form should be available to the public by September 1, 2024. (Findings 3 and 4)

- R3. Develop and publish, with community input, District Bylaws and operation procedures that reflect the current operation of the District. Bylaws should be posted on their website by October 1, 2024. (Findings 6 and 8)
- R4. Seek an official legal opinion on the process of hiring a Board Member to perform work for the District, and update the Rules and Regulations' requirements for hiring Board Members. If needed, seek the return of funds paid for hours of work performed by Board Members. Bylaws and/or Rules and Regulations should reflect the process to hire Board Members to do work by November 1, 2024. (Finding 6)
- R5. Develop an Annual Budget with income, expenses, and expected grants for the year. Explore budget options to provide for an office, a secure storage space, access to legal counsel, and a part-time clerical employee to respond to public inquires and perform day-to-day activities by December 31, 2024. (Findings 1 and 7)
- R6. Post agendas and important District related notices in all (three) US Post Offices within the District boundaries, other visible public locations, and publish a copy in the local newspaper's calendar of events. This process should be in place by September 1, 2024. (Finding 2)
- R7. Locate and rent/lease a facility to be used as the District's Office with a phone, email, secure file storage capabilities, and a place to hold monthly public meetings at the same location. The public should be informed of the office location by December 31, 2024. (Findings 1 and 2)

NOTES:

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

RESPONSE DEADLINE:

- **REQUIRED WITHIN 90 DAYS FROM:**
 - **Southwest Healthcare District**
 - **Findings 1 to 8**
 - **Recommendations 1 to 7**

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

**PRESIDING JUDGE
SUPERIOR COURT OF CALIFORNIA
COUNTY OF KERN
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301**

**FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

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

GLOSSARY:

1. **ADA Compliance:** refers to the Americans with Disabilities Act Standards for Accessible Design, which states electronic, information technology (like websites) must be accessible to people with disabilities, and meeting rooms must be accessible to all people of the public.
2. **California Health and Safety Code §32139:** requires each district to maintain a website listing information that **MUST** be shared:
 - The district’s annual budget
 - A list of current board members
 - Information regarding public meetings required pursuant to the Ralph M. Brown Act
 - A Municipal Service Review (MSR) or special study conducted by a LAFCo
 - Recipients of grant funding or assistance provided by the district, if any
 - Audits of the district’s accounts and records prepared pursuant to existing law
 - Annual financial reports to the Controller (State of California), submitted pursuant to existing law
 - Any other information the board deems relevant
 - **The district’s policy for providing grants or assistance**
3. **FPPC:** Fair Political Practices Commission oversees many public officials that are required to take an ethics-training course to educate them on the ethical standards required of any individual who works in state or local government. Cities, counties and special districts in California are required by law (AB 1234, Chapter 700, Stats. of 2005) to provide ethics training to their local officials. The FPPC is responsible for administering and enforcing the Political Reform Act. It enacts regulations that implement the law, issues advice letters, and adopts advisory opinions that apply the Act as well as the regulations to particular circumstances.
4. **LAFCo:** Local Agency Formation Commissions are local agencies mandated by the California State Legislature to encourage the orderly formation of local governmental agencies, preserve agricultural land resources, and discourage urban sprawl.
5. **The Ralph M. Brown Act:** is a California law that guarantees the public's right to attend and participate in meetings of local legislative bodies. Located at California Government Code §54950 et seq., it is an act of the California State Legislature, authored by Assemblymember Ralph M. Brown and passed in 1953.

APPENDICES:

APPENDIX A:

SOUTHWEST HEALTHCARE DISTRICT MAP

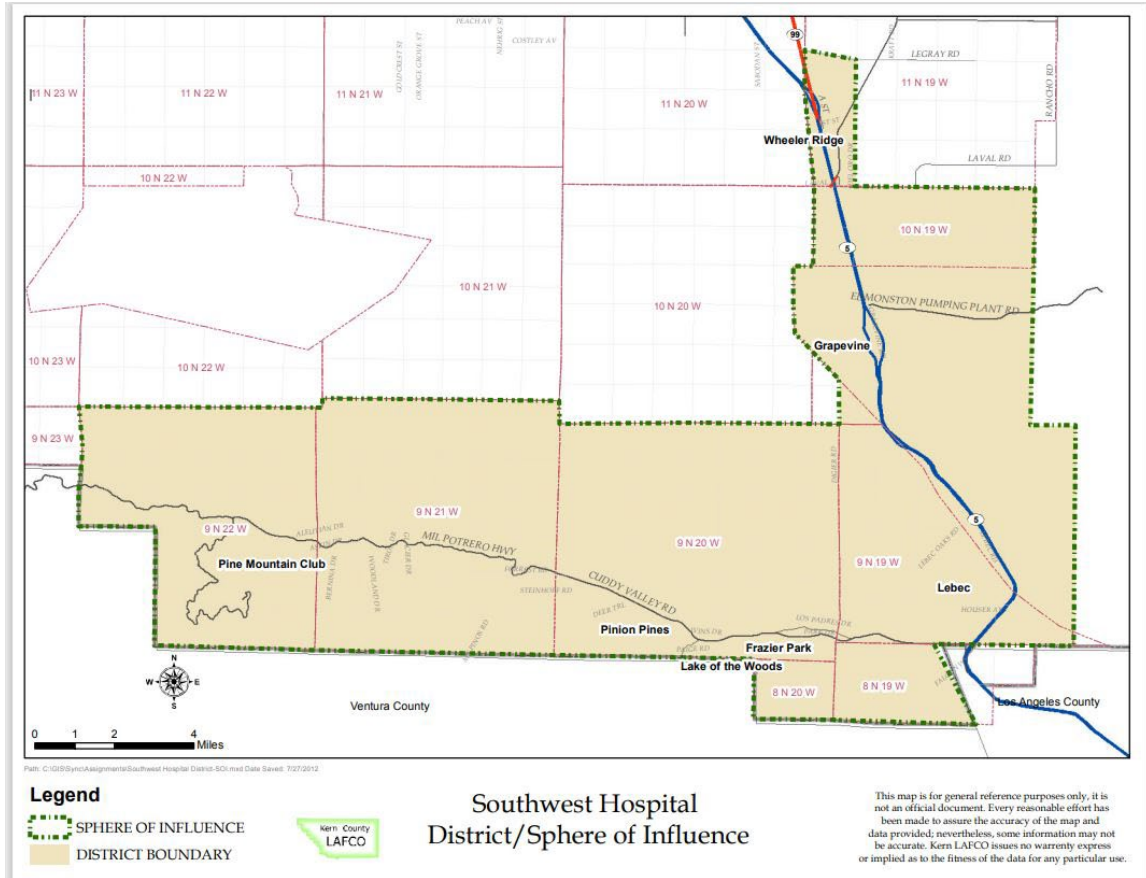


Photo provided by Kern LAFCo

APPENDIX B: California Government Code Section 54954.2 (a)(1)

At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and on the local agency's internet website, if the local agency has one...

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on their own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

APPENDIX C:

**SOUTHWEST HEALTHCARE DISTRICT
NOTICE OF VACANCY**

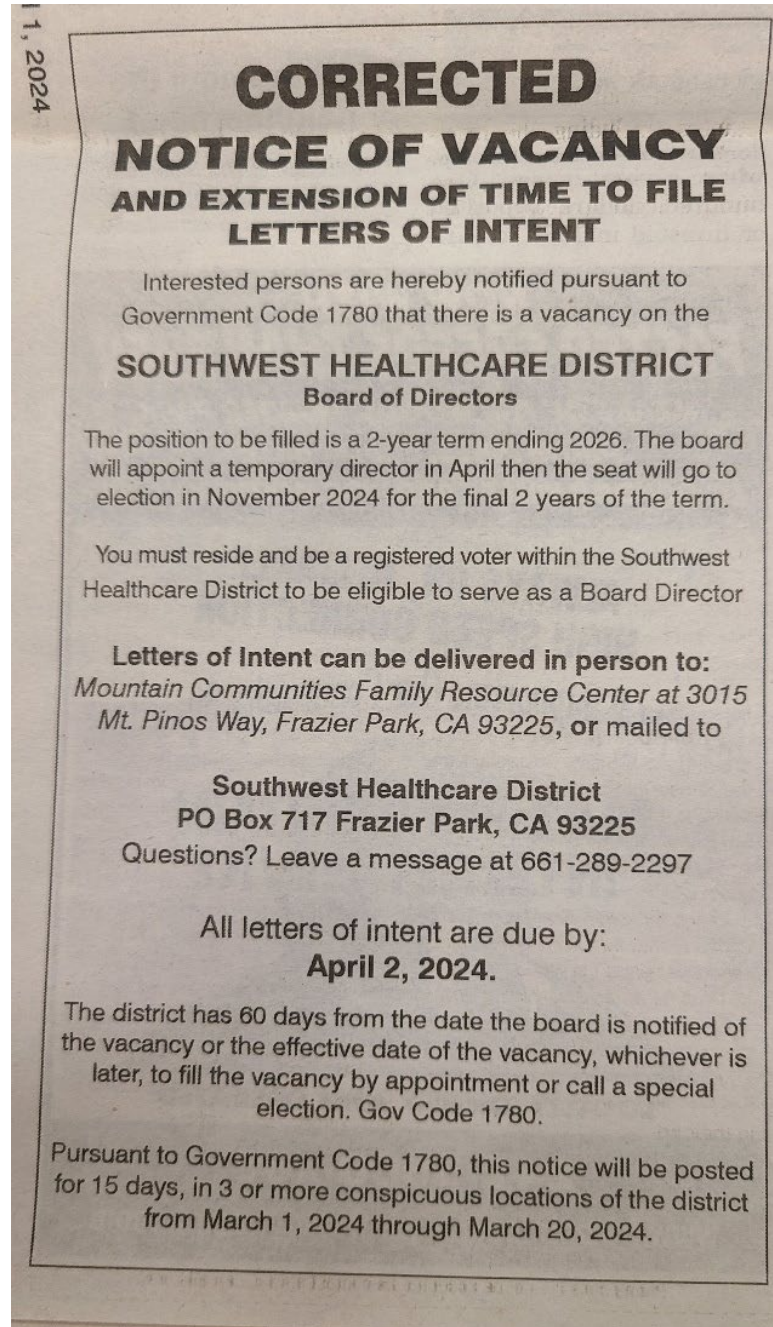
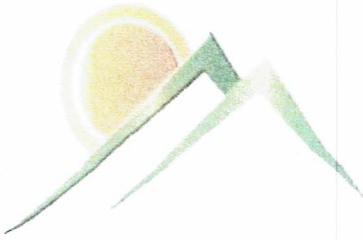


Photo from *The Mountain Enterprise*, March 1, 2024



SOUTHWEST HEALTH CARE DISTRICT
PO Box 717, Frazier Park, CA 93225 (661) 289-2297
southwesthcd@gmail.com www.swhcd.org

August 1, 2024

HONORABLE J. ERIC BRADSHAW, PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301

RE: June 11, 2024 Grand Jury Report

Dear Judge Bradshaw:

Southwest Health Care District submits the following responses to the Grand Jury Report, dated June 11, 2024 pursuant to Penal Code section 933.05

FINDINGS:

F1. District Board meetings were held at several different locations and on different days of the month in the past, making it difficult for the public to plan and attend meetings. The lack of transparency ended up with a lack of public input.

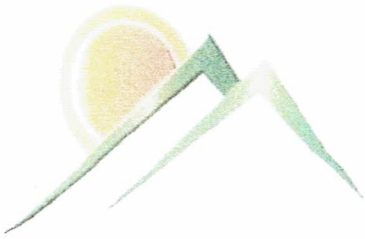
RESPONSE: The respondent disagrees partially with the finding. Although some meetings changed due to COVID-19, lack of a quorum, and weather that made meetings unsafe to attend, ALL meetings were duly noticed with the date, time, and location of the meeting in accordance with the Brown Act.

F2. Because of inconsistent posting of meeting times and locations, members of the public may be misinformed, especially if living outside the community of Frazier Park.

RESPONSE: The respondent disagrees wholly with the finding. Meeting agendas, which included the date, time, and location of meetings were posted 72 hours in advance at the United States Post Office locations located in the mountain communities.

F3. Proposed grants for funding were not always placed on the meeting's agenda for required public comment before acting on a request. Some grants were improperly approved without an application, letter of intent, or the knowledge of proposed expenses and/or expected outcomes.

RESPONSE: The respondent disagrees partially with the finding. Although grant awards were introduced before discussion items were placed on the agenda, no action was taken until there was an item placed on the agenda. All grant requests are presented in writing.



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F4 Minutes of Board meetings do not reflect any accountability of grant expenses or the proposed benefit to the community that would be provided by the grants. Minutes are very brief and do not name the Board Members present, resulting in the lack of public transparency.

RESPONSE: The respondent disagrees partially with the finding. Although most of the time minutes have only included a record of action taken by the board, all action awarding grants were recorded in the minutes.

F5. Board Members' stipends varied from member to member, and from year to year, without explanation, as per the State Controller's Reports. It is unknown if some of the dollar amounts include hours of labor paid to Board Members. The Monthly Board stipends were changed without being placed on the agenda or through the resolution process and without public input or explanation.

RESPONSE: The respondent disagrees partially with the finding. Board member stipends were consistent from member to member, paid per meeting attended.

F6. Without a written policy, resolution, or ordinance approved by the Board in a public meeting, paying a board member to work an hourly rate may violate Government Code and FPPC guidelines.

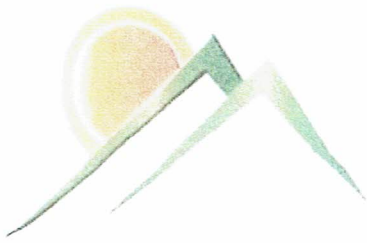
RESPONSE: The respondent agrees with the finding.

F7. District files including historical minutes, LAFCo documents, and Board Members' Form 700 documentation are currently stored in totes at the home of a Board Member. These District files are not open for public review, therefore lacking transparency.

RESPONSE: The respondent disagrees partially with the finding. District files are available via a Public Record Request.

F8. The District's website is under development. The webpage links to Bylaws are outdated and not complete. The Mission Statement is blank, and the FAQs appear to be generic. Many other links to sections are vague, confusing the public.

RESPONSE: The respondent disagrees partially with the finding. The District's website is up to date with links to the current Bylaws, and mission statement.



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RECOMMENDATIONS:

The 2023-2024 Kern County Grand Jury recommends the District:

R1. Continue to update and maintain their website to meet all the requirements of California Health and Safety Code §32139, to include Board Members' contact information. This will be an on-going activity requiring monthly updates. (Finding 8)

RESPONSE: The recommendation has been implemented. The District website is updated monthly and contains the board members' names, positions, and contact information.

R2. Develop and publish a grant application form and the process for awarding annual grants. This application should explain the purpose of the grant, budget of expenses, and expected outcomes when the project is completed. The approved application form should be available to the public by September 1, 2024. (Findings 3 and 4)

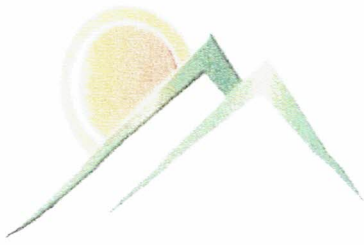
RESPONSE: The recommendation has been implemented. A grant application form with the recommended inclusions has been published on the District website.

R3. Develop and publish, with community input, District Bylaws and operation procedures that reflect the current operation of the District. Bylaws should be posted on their website by October 1, 2024. (Findings 6 and 8)

RESPONSE: The recommendation has been implemented. The District Bylaws have been updated and posted on the District website. The discussion and amendment of the bylaws was noticed on the agenda, which was posted in accordance with the Brown Act.

R4. Seek an official legal opinion on the process of hiring a Board Member to perform work for the District, and update the Rules and Regulations' requirements for hiring Board Members. If needed, seek the return of funds paid for hours of work performed by Board Members. Bylaws and/or Rules and Regulations should reflect the process to hire Board Members to do work by November 1, 2024. (Finding 6)

RESPONSE: The recommendation has been implemented. The District has passed a Resolution which includes the requirements to receive a District paid stipend or reimbursement. These requirements have also been included in the Bylaws.



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R5. Develop an Annual Budget with income, expenses, and expected grants for the year. Explore budget options to provide for an office, a secure storage space, access to legal counsel, and a part-time clerical employee to respond to public inquiries and perform day-to-day activities by December 31, 2024. (Findings 1 and 7)

RESPONSE: The recommendation has not yet been implemented, but will be implemented in the future. The District has contracted with a Bookkeeper who will assist the District in developing an annual budget. This budget will be produced by December 31, 2024.

ADDITIONAL RESPONSE: A portion of the recommendation will not be implemented because it is not reasonable. Hiring a clerical employee, renting an office, and staffing and office with someone to perform day-to-day activities is cost prohibitive. The expenditure of limited funds are best used to improve the health and wellbeing of our mountain communities' residents as described in the District's mission statement.

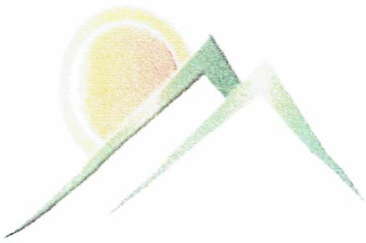
R6. Post agendas and important District related notices in all (three) US Post Offices within the District boundaries, other visible public locations, and publish a copy in the local newspaper's calendar of events. This process should be in place by September 1, 2024. (Finding 2)

RESPONSE: The recommendation has been implemented. Agendas and District related notices are posted in all of the two US Post Offices within the District boundaries, and other visible public locations. The mail center in Pine Mountain Club is not a US Post office and will not allow the District to post information.

ADDITIONAL RESPONSE: A portion of the recommendation will not be implemented. The mail center in Pine Mountain Club is not a US Post Office and will not allow the District to post information.

R7. Locate and rent/lease a facility to be used as the District's Office with a phone, email, secure file storage capabilities, and a place to hold monthly public meetings at the same location. The public should be informed of the office location by December 31, 2024. (Findings 1 and 2)

RESPONSE: The recommendation will not be implemented because it is not reasonable. Renting/Leasing a facility and staffing that office with someone to perform day-to-day activities is cost prohibitive. The expenditure of limited funds are best used to improve the health and wellbeing of our mountain communities' residents as described in the District's mission statement.



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Respectfully,

Cheryl Bert

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