




September 20, 2023

**TO:** Board of Directors  
**FROM:** Ryan Shultz, Executive Director   
**SUBJECT:** Taft Prison Medical Unit - Update

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On August 24, 2023, your board was provided an update on a request made by the City of Taft "CITY" for the West Side Health Care District "DISTRICT" to operate the Medical Unit at the Taft Modified Community Correctional Facility (TMCCF). Your board authorized the Executive Director to create positions related to the Medical Unit, begin position recruitment and to bring back a Memorandum of Understanding "MOU" for your consideration.

Included with this summary is a draft MOU that has been reviewed by the DISTRICT and the CITY. While negotiations of the MOU are ongoing the basic tenants of the agreement are in place and both organizations have agreed to continue to negotiate in good faith so the Medical Unit can open as scheduled on Friday, August 6, 2023.

The DISTRICT has completed its review and assessment of the requirements to operate the Medical Unit as specified in the Intergovernmental Agreement "IGA" between the CITY and the U.S. Department of Justice "USDOJ" and the US Marshals Service "USMS" and believes the DISTRICT does or will have the ability and expertise to full-fill all requirements. The DISTRICT is prepared to move at an accelerated pace to meet the deadlines specified in the MOU. The CITY has made substantial investments to the TMCCF and its staffing including the hiring of two Registered Nurses acting as consultants to assist with the setup of the Medical Unit. The CITY acknowledges the timing factors and limitations of the DISTRICT and has agreed to assist the DISTRICT in the setup of the Medical Unit as needed.

Highlights of the MOU are as follows. The MOU is a 3-year agreement beginning on a date mutually agreed to be the DISTRICT AND CITY and ending on January 31, 2026, or until the U.S. DOJ agreement is terminated. Under the MOU the DISTRICT agrees to provide all medical services specified in Section 2 of the MOU and any and all other medical services specified in the IGA.

In exchange for operating the Medical Unit, the DISTRICT will receive compensation as specified in Section 3 of the MOU. In general, the DISTRICT will be compensated and amount equal to the actual out-of-pocket costs incurred by the DISTRICT for all reimbursable services including, medical service labor, medical supplies and medical equipment plus a 12% administrative fee. Costs will be billed to the CITY on a monthly basis.

To date the DISTRICT has been unable to secure general liability and medical mal practice insurance for the operation of the Medical Unit. The DISTRICT continues to work with its insurance carriers to find an acceptable policy. We have received an informal estimate of general liability and medical mal-practice

insurance in excess of \$150,000. This fee would constitute a large percentage of the expected financial compensation paid to the DISTRICT by the CITY and would be the sole responsibility of the DISTRICT.

In the interim the CITY has agreed to cover the cost of the insurance premium paid by the DISTRICT and to negotiate in good faith with the DISTRICT an ongoing cost sharing agreement should that be necessary. It is the intention of the DISTRICT and the CITY to obtain the necessary insurance to open the TMCCF by October 6, 2023, and to seek more suitable insurance going forward should that be necessary. The MOU will be updated to reflect statements included in this report related to insurance should that be necessary once a formal insurance proposal has been obtained by the DISTRICT.

The MOU includes a 90-day termination clause for either party as specified in section 14 of the MOU.

It is therefore recommended that your board authorize the Executive Director to enter into an MOU with the CITY for the operation of the TMCCF Medical Unit including any required amendments deemed necessary and authorize the Executive Director to enter into any and all other related contracts and employment agreements associated with operation of the TMCCF Medical Unit.