

**RESTATEMENT NO. 1
TO THE JOINT POWERS AGREEMENT
BETWEEN THE COUNTIES OF SAN BERNARDINO AND RIVERSIDE**

WHEREAS, the Counties of San Bernardino and Riverside (the “Parties”) entered into that certain Joint Powers Agreement, dated as of July 12, 1994, for the purposes of (a) providing Medi-Cal managed care systems or other health care systems to serve eligible residents of the parties hereof and (b) obtaining funding and other resources from Federal, State and local governments to support said system;

WHEREAS, the Parties entered into a First Amendment to the Joint Powers Agreement, dated as of June 1, 1995 (the “First Amendment”);

WHEREAS, the Parties entered into a Second Amendment to the Joint Powers Agreement, dated as of April 1, 1996 (the “Second Amendment”);

WHEREAS, the Parties entered into a Third Amendment to the Joint Powers Agreement, dated as of June 3, 1996 (the “Third Amendment”);

WHEREAS, the Parties entered into a Fourth Amendment to the Joint Powers Agreement, dated as of September 1, 1997 (the “Fourth Amendment”);

WHEREAS, the Parties entered into a Fifth Amendment to the Joint Powers Agreement, dated as of October 15, 2002 (the “Fifth Amendment”);

WHEREAS, the Parties entered into a Sixth Amendment to the Joint Powers Agreement, dated as of May 3, 2005 (the “Sixth Amendment”);

WHEREAS, the Parties entered into a Seventh Amendment to the Joint Powers Agreement, dated as of July 11, 2016 (the “Seventh Amendment”);

WHEREAS, the Parties entered into an Eighth Amendment to the Joint Powers Agreement, dated as of May 11, 2020 (the “Eighth Amendment”);

WHEREAS, the Parties desire to amend and restate the Original Agreement in its entirety, together with all Amendments; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

**AMENDED AND RESTATED
JOINT POWERS AGREEMENT**

BETWEEN

**THE COUNTIES OF SAN BERNARDINO
AND RIVERSIDE**

**CREATING HEALTH CARE SYSTEMS
TO BE KNOWN AS**

THE INLAND EMPIRE HEALTH PLAN

(Amended and Restated January 11, 2021)

**AMENDED AND RESTATED
JOINT POWERS AGREEMENT
BETWEEN THE COUNTIES OF SAN BERNARDINO AND RIVERSIDE
CREATING HEALTH CARE SYSTEMS
TO BE KNOWN AS
THE INLAND EMPIRE HEALTH PLAN**

This Joint Powers Agreement, dated for convenience as of July 12, 1994, by and between the COUNTIES OF SAN BERNARDINO (hereinafter referred to as "SAN BERNARDINO"), and the RIVERSIDE (hereinafter referred to as "RIVERSIDE"), both parties being bodies corporate and politic of the State of California;

RECITALS

WHEREAS, SAN BERNARDINO and RIVERSIDE have mutual interests in joining together to develop within the geographic area of both counties Medi-Cal and non-Medi-Cal managed health care systems and/or other health care systems, plans and programs to serve eligible persons of both counties in compliance with State laws and regulations; and,

WHEREAS, it is the interest and desire of the parties to enter into a Joint Powers Agreement to establish Medi-Cal and non-Medi-Cal managed health care systems and/or other health care systems, plans and programs as a public entity, separate and apart from the parties hereto, as hereinafter described and set forth, which entity shall then set about the task of accomplishing the purpose of this Joint Powers Agreement in a manner most capable of promoting the greatest public good and welfare; and

WHEREAS, the parties hereto are each empowered by law to provide for the health care needs of eligible persons of both counties either directly, or by contract or similar arrangement; and

NOW, THEREFORE, in consideration of the above recitals, of the mutual promises and agreements herein contained and for other valuable consideration, the parties hereto agree as follows:

SECTION 1. PURPOSE

This Joint Powers Agreement (hereinafter referred to as “Agreement”) is made pursuant to the provisions of Article 1, Chapter 5, Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (hereinafter referred to as the “Act”) for the express purposes of (a) providing Medi-Cal and non-Medi-Cal managed health care systems and/or other health care systems, plans and programs to serve eligible persons and employees of the parties hereof and (b) obtaining funding and other resources from Federal, State and local governments and other sources as appropriate to support said system. The purpose of this Agreement shall be accomplished and the common powers of the parties hereto exercised in the manner hereinafter set forth, subject however to such restrictions as are applicable to San Bernardino County in its manner of exercising such powers, as required by Government Code Section 6509.

SECTION 2. CREATION OF AUTHORITY

Pursuant to the Act, there is hereby created a public entity to be known as the Inland Empire Health Plan hereinafter referred to as the “Agency.” The Agency shall be a public entity, separate and apart from the parties hereto, and as provided by law and not otherwise prohibited by this Agreement shall be empowered to take such actions as may be necessary or desirable to implement and carry out the purpose of this Agreement.

SECTION 3. TERM

This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated as provided in Section 4 below.

SECTION 4. TERMINATION AND AMENDMENTS

- (a) Subject to the provisions contained in Sections 4(d) and 4(e) below, the parties hereto may terminate or amend this Agreement by mutual written consent.
- (b) If the Agency has incurred no obligations either party may terminate this Agreement by giving not less than sixty (60) days written notice to the other party.
- (c) Subject to the provisions contained in Section 4(d) and 4(e) below, either party hereto may terminate this Agreement by giving twelve (12) months' written notice thereto to the other party.
- (d) This Agreement cannot be terminated until all forms of indebtedness, and/or fiscal obligation incurred by the Agency have been paid, or adequate provision for such payment shall have been made.
- (e) In the event this Agreement is terminated, any property or assets acquired by the Agency from the effective date of this Agreement, including but not limited to money, shall be divided and distributed between the parties in proportion to the contributions made, including contributions made as provided in Section 10 below, unless otherwise required by law.

SECTION 5. POWERS AND DUTIES OF AGENCY

The Agency shall have the powers common to the parties to this Agreement to:

- (a) Exercise those powers enumerated in the Act as the same as now exists or as may hereinafter be amended:
- (b) Do all acts necessary or convenient to the exercise of the foregoing and to accomplish the purposes of this Agreement, including but not limited to the following:
 - 1) to make and execute all contracts, agreements, and documents including, without limitation, agreements with any of the parties to this Agreement, other local governments, agencies or departments, the State of California, the United States of America, or agencies thereof, or any entity, person or corporation of

any kind or nature whatsoever;

- 2) to employ agents, servants and employees;
- 3) to acquire, hold and dispose of property, both real and personal;
- 4) to acquire, construct, maintain, manage, operate and lease buildings, works and improvements;
- 5) to accept gifts;
- 6) to sue and be sued in its own name;
- 7) to apply for and receive any available Federal, State and/or local grants;
- 8) to employ legal counsel;
- 9) to employ consultants;
- 10) to adopt a budget;
- 11) to incur debts, liabilities and obligations;
- 12) to establish a treasury for the deposit and disbursement of funds and monies, according to the policies and procedures set forth in this Agreement;
- 13) to invest any money held in the treasury that is not required for immediate necessities of the Agency, as the Agency determines is advisable, in the same manner and upon the same conditions as local agencies pursuant to Section 53601 of the Government Code.

The listing of the above acts is not intended to indicate any priority of one act over another. Nor is such listing intended to be inclusive, and other acts may be done in the accomplishment of the purposes of this Agreement as are authorized. One or several acts may take place concurrently or in sequence.

SECTION 6. CREATION OF THE GOVERNING BOARD OF DIRECTORS

- (a) Creation of the Governing Board of Directors. In order to effectuate the purposes of this Agreement as set forth herein, the Agency shall be governed by a Board of Directors (hereinafter called the "Board"), and all of the powers of the Agency shall be exercised by the Board.

- (b) Membership. The Board shall be composed of seven (7) members. San Bernardino County Board of Supervisors shall appoint two (2) of its members to the Board and Riverside County Board of Supervisors shall appoint two (2) of its members to the Board. In addition, each county's Board of Supervisors shall appoint a third member to the Board who shall not be a member of the Board of Supervisors but shall be a resident of the county appointing said member. At the organizational meeting the seventh member of the Board shall be appointed by the six (6) members appointed by the county boards of supervisors. The term of office for Board members shall be two (2) years and Board members may serve consecutive terms. The public members of the Board shall be those members who are appointed as the third member to the Board by each of the Board of Supervisors of Riverside and San Bernardino Counties, and who are not members of the Board of Supervisors of Riverside or San Bernardino Counties, and the seventh member appointed by the six (6) members of the Board. The Board shall make every effort to ensure that a significant number of the vacancies of the Board members, and appointment of new members to the Board, including the public members, shall not occur within the same calendar year. All members appointed to the Board, as of the date of adoption of this amendment shall be eligible for re-appointment to the Board at or before the conclusion of their current term, notwithstanding the provisions of appointment which existed at their earlier appointment to the Board.
- (c) Designation of Members. Members shall serve on the Board during the term for which they were appointed or until their successor has been appointed or their appointment has been revoked, whichever is earlier. A member's position on the Board shall automatically terminate if the term of the elected public office of such member is terminated.
- (d) Reimbursement. The Board may provide for a stipend and reimbursement of reasonable expenses incurred in connection with a member's service on the Board.
- (e) Quorum and Transaction of Business. Four (4) members of the Board shall constitute a quorum. A vote of a majority of the members present with at least a quorum in attendance shall be required to take action, except for adjournment of a meeting which shall require only a majority of those present. No proxy or absentee voting shall be permitted.

- (f) Meetings. The Board shall establish the time and place for its regular and special meetings. The dates, hour and location of regular meetings shall be fixed by formal action of the Board. The Board shall hold at least one (1) regular meeting each quarter of every calendar year. Special meetings and adjourned meetings may be held as required or permitted by applicable law.
- (g) Ralph M. Brown Act. All meetings of the Board, including, without limitation, regular, special and adjourned meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code).
- (h) Rules. The Board may adopt, from time to time, such rules and regulations for the conduct of its meetings and activities as it may deem necessary.

SECTION 7. OFFICERS AND EMPLOYEES

- (a) Chairperson and Vice Chairperson. The Board may select a chairperson and a vice chairperson from among its members at its first meeting, and annually thereafter. The term of the Chairperson and Vice Chairperson, when selected in this manner, shall be for one (1) year. Both parties to this Agreement must be represented on the Board by either the Chairperson or Vice Chairperson. The Chairperson shall alternate annually between members appointed by each party. In the event the Chairperson or Vice Chairperson so elected resigns from such office or ceases to be a member of the Board, the resulting vacancy shall be filled at the next regular meeting of the Board. In the absence or inability of the Chairperson to act, the Vice Chairperson shall act as Chairperson. The Chairperson, or in the Chairperson's absence, the Vice Chairperson, shall preside at and conduct all meetings of the Board.
- (b) Treasurer. The Chief Financial Officer of the Agency shall be the Treasurer of the Agency. The Treasurer shall have the custody of the Agency's money and disburse the Agency funds pursuant to the accounting procedures developed in accordance with the provisions of this Agreement, the Act, and with those procedures established by the Board. The Treasurer shall assume the duties described in

Section 6505.5 of the Government Code, namely: receive and receipt for all money of the Agency (with the exception of any bond proceeds which shall be deposited with the Trustee bank) and place it in the Treasury to the credit of the Agency; be responsible upon an official bond as prescribed by the Board for the safekeeping and disbursement of all Agency money so held; pay, when due, out of money of the Agency so held, all sums payable, only upon warrants of the officer performing the functions of the Controller who has been designated by the Agency or the Board; verify and report in writing in conjunction with the annual audit of the Agency and to the parties to this Agreement the amount of money held for the Agency, the amount of receipts since the last report, and the amount paid out since the last report; and perform such other duties as are set forth in this Agreement or specified by the Board.

- (c) Controller. The Chief Financial Officer of the Agency shall be the Controller of the Agency. The Controller shall draw all warrants to pay demands against the Agency when such demands have been approved by the Board or by any other person authorized to so approve such by this Agreement or by action of the Board. The Controller shall perform such duties as set forth in this Agreement and such other duties as are specified by the Board.

There shall be strict accountability of all funds and reporting of all receipts and disbursements. The Controller shall establish and maintain such procedures, funds and accounts as may be required by sound accounting practices. The books and records of the Agency in the hands of the Controller shall be open to inspection at all reasonable times by representatives of the parties to this Agreement. The books and records of the Agency in the hands of the Controller shall be open to inspection to other parties, pursuant to statutory and regulatory requirements.

The Controller, with the approval of the Board, shall contract with an independent certified public accountant or firm or certified public accountants to make an annual audit of the accounts and records of the Agency, and a complete written report of such audit shall be filed as public records annually, within one hundred twenty (120) days of the end of the fiscal year under examination, with each of the parties to this Agreement. Such annual audit and written report shall comply with the requirements of Section

6505 of the Government Code. The cost of the annual audit, including contracts with, or employment of such independent certified public accountants in making an audit pursuant to this Agreement shall be a charge against funds of the Agency available for such purpose. The annual audit of the accounts and records of the Agency, as provided in this paragraph, shall be for the purposes of meeting the requirements of the parties to this Agreement.

(d) Chief Executive Officer. The Board may employ by contract or otherwise, an Administrator who shall act as the Chief Executive Officer of the Agency to direct the day-to-day operation of the Agency. Serving at the will of the Board and subject to its policies, rules, regulations and instructions, the Chief Executive Officer shall have the powers described in this Agreement and those delegated and assigned by the Board, including, without limitation:

- 1) to appoint, remove and transfer employees of the Agency, including management level officers, subject to the conditions of employment of these individuals as employees of the Agency, except for the Attorney of the Agency and such others as the Board may designate.
- 2) to enforce all orders, rules and regulations adopted by the Board relating to the regulation, operation, or control of funds, facilities, properties and apparatus of the Agency;
- 3) to enter into contracts or authorize expenditures whenever the Board shall have approved and authorized any work, improvement or task and shall have budgeted or appropriated the necessary money therefore;
- 4) to have custody of and accountability for all property and assets of the Agency except money.

(e) Consultants. Subject to the availability of funds, the Board may employ such consultants, advisors and independent contractors as are deemed necessary and desirable in implementing and carrying out the purposes of this Agreement.

(f) Attorney for the Agency. The offices of County Counsel of the parties shall serve as counsel for the Agency, with the Riverside County Counsel acting as lead counsel among the two counties for the Agency. Riverside County Counsel shall provide legal services to the Agency, including, serving as counsel to the Governing Board. The

Board may also employ by contract or otherwise, general or specialty counsel for the Agency in addition to services provided by the county counsels.

SECTION 8. REIMBURSEMENT

RESERVED.

SECTION 9. FISCAL YEAR

The fiscal year of the Agency shall be the period commencing January 1 of each year and ending on and including the following December 31.

SECTION 10. CONTRIBUTIONS BY THE PARTIES

The parties to this Agreement may provide contributions in the form of public funds and/or in-kind services, equipment, furnishings, office space and other kinds of property which may be reasonably necessary for the Agency to accomplish the purposes of this Agreement. In addition, the parties to this Agreement may provide salary and benefit services to the employees of the Agency.

SECTION 11. ADVISORY BODY AND COMMITTEES

The Board or the Chief Executive Officer may establish any advisory body or committee as deemed appropriate or necessary.

SECTION 12. LIABILITIES

The Agency shall account separately for all funds collected or disbursed for each party to this Agreement. It is the intent of the parties, to the extent permitted by law, that the liabilities of each party shall not become a liability of the other. The debts, liabilities and obligations of the Agency shall be the debts, liabilities and obligations of the Agency alone, and not of the parties to this Agreement.

SECTION 13. NOTICES

Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or upon deposit into the U.S. Mail, first class, postage prepaid to:

SAN BERNARDINO COUNTY

Administrative Office
County Government Center
385 N. Arrowhead Ave., 5th Floor
San Bernardino, CA 92415
Attn: Chief Executive Officer

RIVERSIDE COUNTY

Executive Office
County Administrative Center
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Attn: County Executive Officer

INLAND EMPIRE HEALTH PLAN

10801 6th Street
Rancho Cucamonga, CA 91730

Attn: Chief Executive Officer

SECTION 14. OTHER AGREEMENTS NOT PROHIBITED

Other agreements by and between the parties to this Agreement or any other entity are neither prohibited nor modified in any manner by execution of this Agreement.

SECTION 15. SEVERABILITY

If any section, clause or phrase of this Agreement or the application thereof to any party or any other person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, it shall be deemed severable and the remainder of this Agreement or the application of such provisions to the other party or other persons or circumstances shall not be affected thereby.

SECTION 16. NONASSIGNABILITY

The rights, titles and interests of any party to this Agreement shall not be assignable or transferable without the written consent of the Board of Supervisors of each party hereto.

SECTION 17. MISCELLANEOUS

- (a) Section Headings. The section headings herein are for convenience of the parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Agreement.
- (b) Laws of California. This Agreement is made in the State of California, under the Constitution and laws of such State, and shall be construed and enforced in

- accordance with the laws of the State of California.
- (c) Construction of Language. It is the intention of the parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.
 - (d) Cooperation. The parties to this Agreement recognize the necessity and hereby agree to cooperate with each other in carrying out the purpose of this Agreement including cooperation in matters relating to the public, accounting, litigation, public relations and the like.
 - (e) Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto.
 - (f) Publication Rights. Each party to this Agreement shall have the right to duplicate, at its own expense, any and all documents and reports created or acquired, in the joint exercise of powers hereunder by the Board or by any other party hereto pursuant to this Agreement.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested to by their proper officers thereunto duly authorized as of the date first above written.

COUNTY OF SAN BERNARDINO

By: _____ Dated: _____
Chair, Board of Supervisors

ATTEST:
[INSERT NAME], Clerk of the Board

By: _____ Dated: _____
Deputy

[SEAL]

Approved as to form and content:
[INSERT NAME], County Counsel

By: _____
Deputy County Counsel

COUNTY OF RIVERSIDE

By: _____ Dated: _____
Chair, Board of Supervisors

ATTEST:
[INSERT NAME], Clerk of the Board

By: _____ Dated: _____
Deputy

[SEAL]

Approved as to form and content:
[INSERT NAME], County Counsel

By: _____
Deputy County Counsel