



CAMBRIA COMMUNITY HEALTHCARE DISTRICT

BOARD AGENDA STAFF REPORT – 06

TO: Board of Directors
FROM: Cecilia Montalvo, President
Linda Hendy, Administrator
DATE: February 4, 2025
DESCRIPTION: Approve contract for new General Counsel Legal Services

RECOMMENDATION

Approval of the Best Best & Krieger LLP contract for General Counsel Legal Services.

FISCAL IMPACT

Billing rate of \$430 per hour.

DISCUSSION

On December 10, 2024, the District received a Resignation of District Counsel from Adamski Moroski Madden Cumberland & Green LLP (AMMCG). The firm's resignation was not because of a disagreement on any matter relating to the District's operations, policies, or practices. On December 15th, the District began an active search for a new firm specializing in Special Districts, beginning with the issuance of a Request for Proposals (RFP).

Noel Caughman, a Partner with Best Best & Krieger LLP was referred to the District, Noel's practice concentrates on health care and employment law and has extensive experience in public agency and non-profit governance issues. In January, Administrator Hendy interviewed Ms. Caughman, and discussed the District's current legal needs.

ATTACHMENT(S)

1. Best Best & Krieger Firm Resume
2. Noel Caughman Resume
3. District Engagement Letter

BOARD ACTION

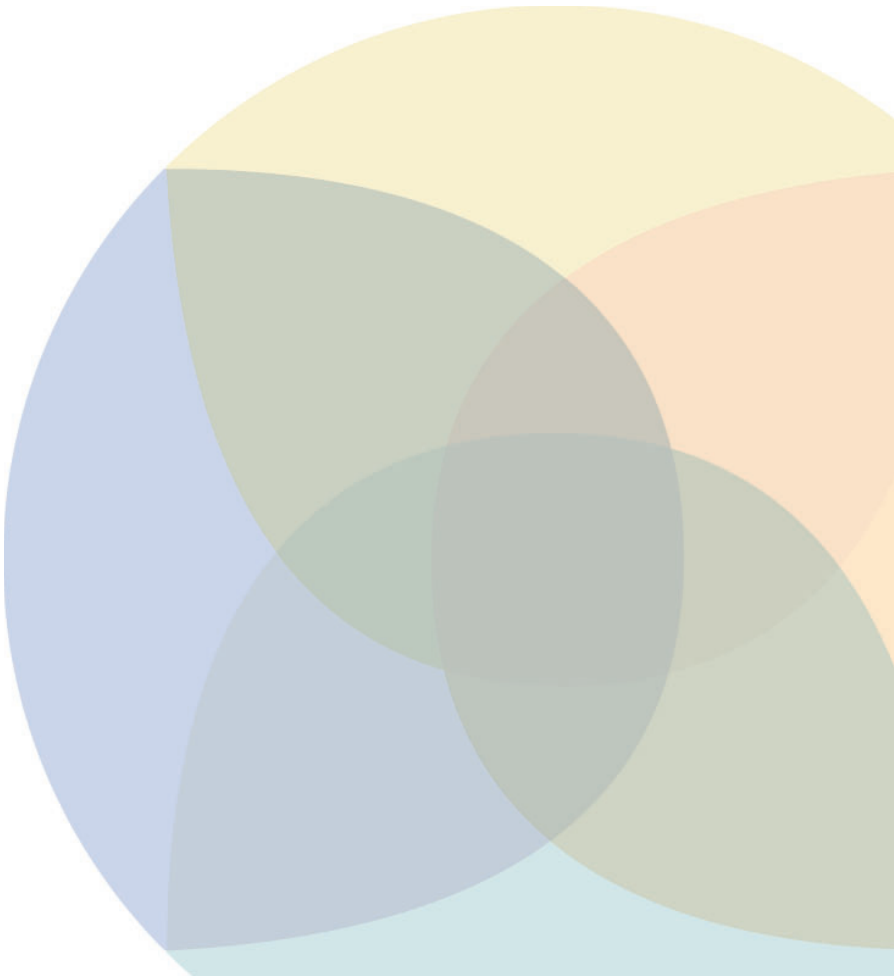
Motion to approve the contract for Best Best & Krieger LLP for General Counsel Legal Services.

UNANIMOUS: __

MONTALVO__ MILEUR__ FEDOROFF__ MUMPER__ KULESA__

TABLE OF CONTENTS

- INTRODUCTION.....2**
 - CAPABILITIES FOR GENERAL LEGAL SERVICES TO CALIFORNIA HEALTH CARE DISTRICTS.....2
 - OUR TEAM.....4
- EXPERIENCE8**
 - PUBLIC AGENCY LEGAL SERVICES TO CALIFORNIA HEALTH CARE DISTRICTS.....8
 - GENERAL LEGAL SERVICES TO HEALTH CARE DISTRICTS10
 - DISPUTE AND LITIGATION SERVICES TO HEALTH CARE CLIENTS11
 - HOSPITAL EMPLOYMENT LAW SERVICES11
 - REAL ESTATE LAW SERVICES.....12
 - CONSTRUCTION LAW SERVICES12
 - ELECTION LAW SERVICES.....12
 - PUBLIC FINANCE13
- REPRESENTATIVE LIST OF CLIENTS 13**
- APPENDIX A, BIOGRAPHIES..... 14**



INTRODUCTION

Capabilities for General Legal Services to California Health Care Districts

Established in California in 1891, Best Best & Krieger (BBK) serves as a trusted partner and strategist to public and private sector clients across the nation. With offices spanning from coast to coast, the firm's 250 attorneys provide innovative legal solutions and cost-effective representation, working to protect and advance clients' interests at every turn.

BBK serves a general business and public agency clientele in California, providing a full range of health care legal services for hospitals, physicians and ancillary providers. Specifically, our attorneys have a combined 30 years of experience serving California Health Care districts. BBK is distinguished by our longstanding history of legal services that combine "nuts and bolts" provider work with the special application of public agency status surrounding health care district organizations. Because of this deep-seated experience, we previously served as counsel to the Association of California Healthcare Districts (ACHD) and currently serve as general counsel to BETA Healthcare Group, the JPA liability carrier serving many California Health Care Districts as well as several nonprofit hospitals.

The firm's health care law practice focuses on providing general counsel, regulatory, employment, municipal finance, construction and dispute resolution services to health care districts, hospitals and other health care providers. BBK acts as general counsel to the following Health Care Districts including:

- Marin General Hospital
- Sonoma Valley Hospital
- Morongo Basin Healthcare District
- John C. Fremont Health Care District
- Soledad Community Health Care District
- Southern Humboldt Community Health Care District
- Seneca Healthcare District
- Pajaro Valley Healthcare District
- Plumas District Hospital
- Mark Twain Health Care District
- Northern Inyo Healthcare District
- San Geronio Healthcare District

Our health care district clients also include:

- Antelope Valley Healthcare District in Lancaster
- El Camino Hospital
- Peninsula Healthcare District
- Eden Township Healthcare District
- Pioneer Memorial Healthcare District
- Desert Healthcare District

- West Side Healthcare District
- Tri Cities Healthcare District

We also provide legal services to affiliates of UC Health, the operator of major academic medical centers across the State of California.

BBK works for the following CAH facilities: Seneca Hospital, Southern Humboldt, J.C. Fremont, Plumas District Hospital and Northern Inyo. By the nature of these district hospitals and the industry nationwide, we have focused our practice on the financial hardships and challenges attending their operations and financing options. Every day, we deal with the impact of the Affordable Care Act, and its implementation in California and impact on our district hospital clients.


Additionally, the team has represented a broad variety of health care providers, including:

- skilled nursing facilities
- home health agencies
- surgery centers
- occupational health clinic
- FQHC Community and Rural Health Clinics
- Healthcare District 1206(b) and (d) clinics
- an ambulance district
- a hospice facility
- a nurse staffing company
- physician staffing groups
- many individual nurses, physicians and large and small physician groups

Visit www.bbklaw.com to review additional details of our capabilities.


Our Team

Noël M. Caughman, Partner

	Phone	(925) 977-3334
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	Location	Walnut Creek
	Education	University of California, Hastings College of the Law, J.D.; University of California, Berkeley, B.A.
	CA Bar Number	154309

Areas of Focus: Health Care / Employment and Human Resources Services / Health Care District Law and Governance

Leeann Habte, Partner

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	Location	Los Angeles
	Education	Loyola Law School; University of Minnesota, M.S.; St. Cloud State University, B.S.
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Areas of Focus: Business / Health Care / Digital Information Management

Alison S. Bassett, Partner

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	Education	New York University School of Law, J.D.; Whittier College, B.A.
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Areas of Focus: Health Care / Health Care Regulations

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Areas of Focus: Real Estate / Special Districts

George Reyes, Partner

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Areas of Focus: Health Care / Health Care Finance & Banking / Health Care Business Transactions

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Education	University of the Pacific, McGeorge School of Law, J.D.; University of California, Riverside, B.A.
CA Bar Number	292664

Areas of Focus: Construction

Paula C.P. de Sousa, Partner



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Location	San Diego
Education	University of the Pacific, McGeorge School of Law, J.D.; University of California, Santa Barbara, B.A.
CA Bar Number	192038

Areas of Focus: LAFCO General & Special Counsel

Michael J. Maurer, Partner



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Location	Los Angeles
Education	University of California, Hastings, J.D., <i>cum laude</i> ; Chapman University, B.A., <i>magna cum laude</i>
CA Bar Number	259887

Areas of Focus: Special Districts / Special Agency Contracts & Construction / Public Agency Conflict of Interest Laws

Danny Kim, Partner



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Education	University of the Pacific, McGeorge School of Law, J.D.; University of California, Berkeley, B.A.
CA Bar Number	184595

Area of Focus: Public Finance

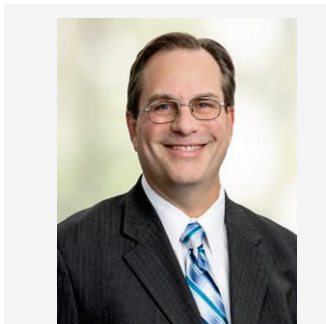
Laura Fowler, Partner



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CA Bar Number	186097

Area of Focus: Labor & Employment

William J. Priest, Of Counsel



Phone	(909) 483-6648
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Location	Ontario
Education	Southern Illinois University at Carbondale, J.D.; University of California, Los Angeles B.A., social psychology, <i>cum laude</i>
CA Bar Number	202654

Areas of Focus: Election Law and California Voting Rights Act of 2001 (CVRA)

EXPERIENCE

Public Agency Legal Services to California Health Care Districts

Our health care district practice is led by partner Noël Caughman. Noël manages the health care, public law and political law practice, along with contracting, compliance, employment, clinical, regulatory, patient consent, EMTALA, HIPAA and ethical medical issues impacting hospitals and their medical staffs. Partner Leeann Habte advises clients on information privacy and security, health care regulatory compliance and Medicare and Medicaid reimbursement issues, as well as being a recognized leader in health data privacy, and security and health IT legal issues. Additionally, partner Alison Bassett is experienced in health care district and health care/hospital business transactions, real estate, financing/debt transactions, medical group contracting, organization and operations. We also have associates who are dedicated to the hospital and public agency facets of the firm's health care practice.

BBK has particular experience in the "public law" applicable to hospitals and other facilities operated by health care districts. We have 30 years of experience practicing under the Local Healthcare District Law (*California Health & Safety Code, Sections 32000, et seq*). We are therefore knowledgeable of the many facets of the Local Healthcare District Law that influence the daily operations of the hospital and its board and management. For example, we can address matters ranging from delegation of board authority to obscure restrictions on operations, such as the ability to subsidize indigent county patients or provide services beyond district boundaries. We closely monitor legislative developments affecting health care districts and often assist in ACHD legislative efforts to change provisions in the District Law and influence other public agency legislation. We have drafted amendments to the District Law at the behest of the ACHD's legislative advocates.

Additionally, BBK developed a standardized "new District Board member" orientation and accompanying guidebooks and materials as a part of district orientations of newly elected or appointed board members. We regularly provide AB 1234 Board Trainings to district boards.

We offer comprehensive experience and resource materials in the following public law fields as applied to health care districts:

- **Government Claims Act** procedures and immunities applicable to public agencies and public officials
- **Brown Act** and **Public Records Act** public disclosure, notice and meeting requirements, including special exceptions applicable only to health care districts, e.g., trade secret matters
- **Local government contracts** and health care district **competitive bid requirements and Board Bid and Procurement Policy requirements**
- **Ad Valorem Property taxation** assessment, levy, collection and use, Prop. 13 formulas, County Auditor tax distribution procedures and public entity tax exemptions
- **Parcel Tax** creation, implementation, and use for operations and long-term debt security
- **General Obligation (GO) Bond** issues for taxpayer-supported new construction or renovation upon voter approved ballot measures
- **Public agency lease requirements**

- **Public Official Ethics Guidelines/FPPC conflict of interest** regulations, statutory and common law public official conflicts rules (“Section 1090” contract conflicts), district officials’ **financial disclosure** rules (**Form 700**), California statutory and common law prohibitions against public official **incompatible activities**, along with specific health care district rules on conflicting competitive employment relationships
- **District elections** and administrative procedures, **board vacancies and appointments**
- **State Constitutional limitations** on local agencies (gift of public funds, unlawful delegation of authority, etc.)
- **LAFCO** rules and authority applicable to health care districts, Municipal Service Reviews and Sphere of Influence studies, County Special District Association participation
- **District board governance (bylaws/policies/rules of meeting procedure)**
- **Board Delegation** and management authority in the public sector (assistance with Board/management roles)
- **Eminent domain** rights and special application of **CEQA** and **land use** laws to public agencies
- **Investment Fund Policy requirements** for California local governments, e.g., the State LAIF fund participation
- **Public sector financing** vehicles for specific projects through the **Cal Mortgage** program or the issuance of GO Bonds based on voter approval, and HUD programs

Our attorneys handled major asset transfers following the affiliations and reorganizations of Brookside Hospital and Mt. Diablo Medical Center with private sector organizations. We negotiated on behalf of the Peninsula Health Care District a transfer of its leased hospital (Peninsula Hospital) and 23 acres of land in a transaction by which Sutter Health built and financed a new \$600 million acute care campus at the site, with limited District oversight. We handled the legal affairs of the Marin Healthcare District three-year transition by which Marin General Hospital underwent a successful transition from Sutter affiliation to freestanding operations. We are actively engaged in the many complex issues underway at Marin General related to its successful launch and operations as a free-standing, locally controlled community hospital. We handled the transition of the bankrupt Watsonville Community Hospital to the newly formed Pajaro Valley Health Care District. Noël and Alison provided a Hospital Counsel sponsored webinar presentation on “loose affiliation” options among small rural hospitals hoping to avoid wholesale sales or mergers with large systems, including a recent presentation to a health care district on district hospital affiliation models occurring in California.

Our lawyers acted as “Issuers Counsel” in major bond issues by district hospitals, amounting to \$800 million in past and future bond proceeds. BBK also prepared studies for our health care districts on the abilities and limitations upon the districts as public entities to engage in health system affiliations, networking and joint ventures. BBK has extensive experience in health care district “Section P” asset transfers (voter approved), mergers and affiliations, and has prepared studies on the large variety of health care district reorganizations across California. We also have a great deal of experience guiding district clients on conducting their activities through affiliated nonprofit entities.

We work closely with county, state, federal and local public officials to benefit clients in the legislative and local government process, and provide assistance with administrative proceedings and negotiations. Given the community responsiveness of health district boards, we have acted as counsel to numerous

citizen advisory committees established by our district clients to advise them on special matters of community concern. We are well-versed in the public issues and missions surrounding the involvement of community groups in the affairs of the districts. We fully embrace the district mission to vindicate the public trust delegated to the elected board by the residents of the district and the State of California. California Health Care District representation requires an understanding and ability to successfully communicate (or advise on communications) with local news media.

As general and special counsel to our district clients, we often work with outside law firms regularly engaged to handle matters falling within a particular area of focus.

General Legal Services to Health Care Districts

We are actively involved with the California Society for Healthcare Attorneys, American Health Lawyers Association and ABA Health Law Section, and regularly attend seminars about legal developments in health care law, regulation and strategic planning. We have experience in a wide range of health care issues, including governance, hospital law and regulation, licensing, Joint Commission accreditation, medical staff and nursing issues, ethics, health care ventures, hospital and provider operations, board policy, tax-exempt financing and nonprofit organizations. Additionally, we have experience in all facets of provider contracting, ranging from major strategic transactions to everyday business and vendor agreements. Our practice also encompasses physician and nurse practitioner primary and specialty care clinics and skilled nursing facilities operated by health care districts.

We counsel hospital and physician group management and governing boards on the fiduciary standards applicable to individuals in decision-making roles in the health care industry. Our work with boards and senior management is focused on assuring compliance with the many legal and regulatory rules governing the operations and policies of public agencies and 501(c)(3) health care providers. Noël, for instance, has many years of experience working with elected boards and their board bylaws and governance committees.

We are regularly called upon to guide our hospital and physician clients through federal and state compliance laws and regulations governing business relationships and operational practices. We assist in drafting and implementing hospital compliance policies, procedures and standards of conduct designed to meet the regulatory mandates of the Fraud & Abuse, Stark, IRS Intermediate Sanctions, EMTALA and HIPAA laws. We regularly advise senior management and boards on the proper process and documentation of decisions in areas that are heavily scrutinized, including provider contracts, peer review, physician credentialing disputes, quality assurance, utilization management and emergency services.

We prepare physician recruitment agreements and policies that meet either the special health care district standards or IRS nonprofit organization guidelines. We also assist our district hospital clients in the organization and operations of 1206(b) [district operated], 1206(d) [hospital outpatient] and 1206(l) [medical foundation] physician clinics, and associated professional services arrangements with physician staff. A number of our district clients operate their physician practices as Rural Health Clinics.

Our hospital practice includes the everyday scope of employment matters (hiring, firing, discipline, harassment, investigations, employment policy interpretation and development). Noël handles these matters, alongside two of BBK's Employment & Labor practice attorneys. For broader issues involving ERISA, pension and collective bargaining, along with antitrust, government investigations or medical staff proceedings, complex reimbursement matters, or certain health plan contracting, we often refer our clients to specialty legal or consulting firms.

Dispute and Litigation Services to Health Care Clients

As an outgrowth of our health care business and regulatory practice, BBK handles litigation and dispute resolution engagements on behalf of provider and health care clients. Our litigators handle business and public sector disputes (through both alternative dispute resolution and litigation) among hospitals and physicians, and with medical groups arising in their common business activities. BBK, and Noël specifically, handle employment litigation such as defending wrongful termination, sexual harassment, discrimination and wage and hour claims in state court, federal court and administrative hearings. The team also provides employment compliance advice and counseling to hospital human resource personnel. We regularly work with a hospital's employment practices liability (EPL) insurance carrier to carefully manage litigation costs.

Recent representative litigation matters include:

- Representing the Marin Healthcare District and Eden Township Healthcare District in litigation and disputes with Sutter Health
- Representing Children's Hospital Oakland in a high-profile case involving the tragic brain death of a teen girl and her family's efforts to maintain treatment
- Successfully defended the Peninsula Healthcare District in multi-year litigation stemming from a citizen group challenge to a 50-year ground lease transaction for new hospital construction
- Successfully defended the Mt. Diablo Healthcare District against a lawsuit brought after it declared a former CEO's buyout deal to be a gift of public funds
- Handled numerous engagements related to employment/independent contractor litigation
- Represented physicians in group partnership disputes

Hospital Employment Law Services

Our team also has a robust employment practice that focuses on both transactional work and litigation. We handle everyday employment issues for operations and HR managers, including hiring, firing, discipline, investigations, ADA, FMLA/CFRA and complex leave issues, drafting employment policies and handbooks and conducting seminars for large employer clients about harassment issues. The team's employment law litigators have comprehensive experience in public sector employment relations and the unique issues confronted in the employment law field by public sector employers, including health care districts. Our litigation experience includes handling claims involving alleged FEHA/Title VII violations of discrimination, harassment, retaliation, failure to accommodate and wrongful termination, as well as wage and hour complaints, both individual and on a representative class basis.

Real Estate Law Services

Partner Nancy Park maintains a full-service real estate practice with an emphasis on purchases and real property sales for residential and commercial development, but also including leasing, land use and permitting/entitlements, environmental issues entity formation, construction contracting and equity partner/investors and lender financing.

Construction Law Services

Complying with the never-ending changes in law and the ever-increasing statutory requirements that apply to public works projects — and then overcoming the many other challenges that arise — requires transactional experience, legal knowledge and an understanding of how to prepare for, or better yet avoid, litigation.

BBK attorneys regularly provide guidance to special districts, cities, counties, transit and transportation authorities, water agencies, school districts, colleges and universities, community services districts, local agency formation commissions and other public entities on all aspects of public contracting, from planning and property acquisition through construction and project closeout. We assist with procurement needs, draft and negotiate all transactional documents, prepare bid packages, advise on construction and risk management and resolve disputes when they arise.

Our attorneys fully grasp the interplay of statutes and regulations that govern projects, from the Public Contract Code to Labor Code and environmental permitting requirements, enabling us to assure legal compliance and reduce the risk of delay and liability exposure.

In particular, BBK attorneys understand both the benefits and challenges of using alternative delivery methods. We are highly experienced in negotiating both progressive design-build and P3 contracts on behalf of public agencies. This enables us to bring an approach that is efficient, forward-thinking, and bespoke to the particular project and needs of the client. In all construction contracts, but especially in progressive design-build and P3 contracts that are more iterative in nature, we are capable of thinking long-term and utilizing terms that enable mutually beneficial agreements with well-planned allocations of risk. We are also capable of thinking creatively and innovatively in order to bring new approaches that address timing, funding, or other potential barriers to completion.

Election Law Services

BBK attorneys and professionals are recognized leaders in providing support and advice on all local election issues relating to voting rights, candidates, and ballot measures. Our team assists clients with all types of voting issues, including voting rights and districting, election procedure, candidate nomination, ballot titles, statements and arguments and ballot measures on a broad array of topics from voter-approved taxes to charter amendments to land use measures. We are experienced in initiative drafting, filing, publication, and circulation, advising on campaign regulations, publicly funded ballot measure informational efforts, election contests, election timing, ballot security, recall procedures, referendums, ballot recounts, election result contests and other post-election matters.

Public Finance

With more than 45 years of experience, BBK's nationally recognized Public Finance practice group has acted as bond, disclosure and underwriter's counsel in financings for public agencies throughout California. We are bond counsel, disclosure counsel and underwriter's counsel on billions in par value of municipal bonds. We are renowned for creative public finance solutions for construction projects and acquiring new public infrastructure, restructuring existing debt and advice on compliance with finance documents, continuing disclosure issues and federal tax compliance. We have assisted agencies with the issuance of green bonds and are leaders in providing information relevant to environmental, social and governance (ESG) investing, which is becoming a mandate for banking firms and private issuers. We are also highly regarded for our success in restructuring troubled debt, enabling underperforming assets to achieve value and pay debt service.

REPRESENTATIVE LIST OF CLIENTS

We believe the following organizations best indicate our team's ability to successfully provide legal representation and counsel to California Healthcare Districts.

- **Marin Healthcare District**, Owner of Marin General Hospital, Greenbrae, CA, and operator of 1206(b) physician clinics in Marin County. General Counsel since 2004.
- **Sonoma Valley Hospital**, Sonoma, CA (Sonoma Valley Healthcare District), general counsel services since 2011.
- **John C. Fremont Healthcare District**, Mariposa, CA
- **Northern Inyo County Healthcare District**, dba, Northern Inyo Hospital, Bishop, CA, and operator of 1206 (d) and (b) physician clinics and RHC, general counsel since 2014.
- **Southern Humboldt Community Healthcare District**, dba, Jerold Phelps Community Hospital, Garberville, CA, general counsel since 2014.
- **Association of California Healthcare Districts**, Roseville, CA, often handle member questions directed to us from ACHD, occasional legal work on ACHD legislative endeavors.
- **El Camino Hospital**, Mountain View, CA,
- **Morongo Basin Healthcare District**, Yucca Valley, CA
- **Tri-City Hospital**, Oceanside, CA
- **Pioneer Memorial Hospital**, Brawley, CA, (Pioneer Memorial Healthcare District)
- **Seneca Healthcare District**, Chester, CA
- **Plumas District Hospital**, Quincy, CA
- **Mark Twain Healthcare District**, San Andreas, CA



PARTNER

Noël M. Caughman

She/Her

✉ noel.caughman@bbklaw.com ☎ (925) 977-3334

📍 Walnut Creek



Noël Caughman's practice concentrates on health care and employment law. The Best Best & Krieger LLP partner represents hospitals and various business entities working predominantly on transactional and regulatory compliance matters. Noël has specific knowledge in the many facets and unique challenges applicable to hospitals operated by health care districts that influence and dictate daily hospital functions, with extensive experience in public agency and non-profit governance issues as well as counseling on compliance with the Brown Act.

A former partner at Archer Norris with more than three decades of experience, Noël has delivered exceptional results for her hospital and provider clients, handling everyday operational issues, physician contracts and arrangements as well as providing guidance to management on sensitive patient consent and ethics matters across the health care spectrum.

Noël has acted as general counsel to several district hospitals, including Doctors Medical Center (closed), Palm Drive Hospital (closed), Sonoma Valley Hospital, Marin General Hospital, John C. Fremont, Jerold Phelps, Northern Inyo Hospital and Seneca Hospital, along with several districts that provide services that are not hospital based, including the Peninsula Healthcare District and Soledad Community Healthcare District.

Advisor for Health Care Leadership

For the last 20 years, Noël's practice has centered on day-to-day hospital operations, including: contracting, clinical and regulatory issues, ethics and reporting obligations, policies, licensing and Title 22 matters.

She has extensive experience in hospital operations and in the development of compliant policies under the:

- Emergency Medical Treatment & Labor Act
- Health Insurance Portability and Accountability Act
- Physician Self-Referral Law
- Anti-Kickback Statute

Noël frequently works with patient care managers, physicians and social workers in critical matters involving consent and ethics issues, disruptive patients and family members, end-of-life decisions and police matters. She provides 24/7 availability to hospital CEOs, CNOs and administrators on call for

CORE PRACTICES

Business
Business Transactions
Health Care
Labor & Employment
Wage & Hour Law
Special Districts

EDUCATION & ADMISSIONS

Education

UC College of the Law, San Francisco (formerly Hastings), J.D.
University of California, Berkeley, B.A., with distinction

Bar Admissions

California

emergency patient care issues. Noël also counsels various hospital ethics committees and serves as a member of the ethics committees for her acute care hospital clients.

With an eye for compliance issues under Stark as well as fraud and abuse regulations, Noël drafts physician arrangements (including: call coverage, medical directorship, physician recruitment and staffing arrangements) and provides guidance on best practices for compliance with HIPAA and California patient confidentiality laws. She also investigates and notifies patients and regulatory agencies in breach cases.

Noël is proficient in handling other operational matters related to the leasing of hospital space, relocation of hospital-based services/departments and ensuring compliance with provider-based requirements.

Counsel to California Employers

Noël handles routine employment issues for operations and HR managers, including: hiring, firing, discipline, investigations, pregnancy disability leave, Americans with Disabilities Act and Family Medical Leave Act issues, as well as complex wage-and-hour disputes.

While she seeks to proactively resolve day-to-day issues and avoid workplace disturbances by establishing legally compliant policies and providing training, Noël is also prepared to represent clients in administrative matters, with comprehensive experience defending harassment, discrimination and wage-and-hour claims in administrative settings.

Noël has decades of experience in public sector employment relations. She is well-versed in the unique issues confronted by public sector employers, specifically in health care districts. She also provides employment compliance advice and counseling to hospital human resource personnel, regularly working with a hospital's employment practices liability insurance carrier to carefully manage litigation costs.

Born and raised in the Bay Area, she and her husband raised a family steps away from the Napa Valley and are now empty nesters enjoying golf, travel and their fuzzy new addition to the family, Tommy the Shih Tzu.

Notable Experience

- Represented Children's Hospital Oakland in the case of Jani McMath. The case, which gained national attention, involved the tragic brain death of a 13-year-old girl and her family's efforts to maintain her treatment.
- Obtained Probate Code 3200 court consent orders within 48 hours of physician and staff identification of a consent problem.

Professional & Community Involvement

- American Bar Association, Health Law Section
- California Society of Healthcare Attorneys
- American Health Lawyers Association
- Society for Human Resources Management
- Board of Directors Early Childhood Mental Health Program



Noel Caughman
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January 31, 2025

VIA E-MAIL

Cecilia Montalvo
President of the Board
Cambria Community Healthcare District
2535 Main Street
Cambria, CA 93428

Re: General Counsel Representation

Dear Ms. Montalvo:

ABOUT OUR REPRESENTATION

Best Best & Krieger LLP is pleased to represent Cambria Community Healthcare District as its General Counsel. This letter constitutes our agreement setting the terms of our representation. If you want us to represent you and agree to the terms set forth in this letter, after you review the letter please sign it and return the signed copy to us.

CONFIDENTIALITY AND ABSENCE OF CONFLICTS

An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between counsel and the client are confidential and protected by the attorney-client privilege.

To also assure mutuality of trust, we have maintained a conflict of interest index. The California Rules of Professional Conduct defines whether a past or present relationship with any party prevents us from representing Cambria Community Healthcare District. Similarly, Cambria Community Healthcare District will be included in our list of clients to ensure we comply with the Rules of Professional Conduct with respect to Cambria Community Healthcare District.

We have checked the following names against our client index: Cambria Community Health Care District, Cambria Community Ambulance, Cecilia Montalvo, Bruce Mumper, Igor Fedoroff, Laurie Mileur, and Dawn Kulesa. Based on that check, we can represent Cambria Community Healthcare District. Please review the list to see if any other persons or entities should be included. If you do not tell us to the contrary, we will assume that this list is complete and accurate. We request that you update this list for us if there are any changes in the future.

YOUR OBLIGATIONS ABOUT FEES AND BILLINGS

We have already discussed with you the fee arrangement. My current billing rate is \$430.00 per hour.

If other attorneys are called upon to work on this or other matters the might arise, those attorneys will bill at then-current individual private rates which are based on experience and areas of expertise. Hourly rates for those attorneys fall within the following ranges: Partners and Of Counsel range from \$390 - \$1085 per hour; Associates range from \$390 - \$460 per hour, and Paralegals, Clerk and Analysts from \$215 - \$350 per hour. Our rates are adjusted annually every December 1st.

The billing policies are described in the memorandum attached to this letter, entitled “Best Best & Krieger LLP’s Billing Policies.” You should consider the Billing Policies memorandum part of this agreement as it binds both of us. For that reason, you should read it carefully.

INSURANCE

We understand that you are not now insured or have any insurance that may cover potential liability or attorneys’ fees in this case. If you think you may have such insurance, please notify me immediately.

We are also pleased to let you know that Best Best & Krieger LLP carries errors and omissions insurance with Lloyd’s of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California.

NEW MATTERS

When we are engaged by a new client on a particular matter, we are often later asked to work on additional matters. You should know that such new matters will be the subject of a new signed supplement to this agreement. Similarly, this agreement does not cover and is not a commitment by either of us that we will undertake any appeals or collection procedures. Any such future work would also have to be agreed upon in a signed supplement.

CIVILITY IN LITIGATION

In litigation, courtesy is customarily honored with opposing counsel, such as extensions to file pleadings or responses to other deadlines. In our experience, the reciprocal extension of such courtesies saves our clients’ time and money. By signing this letter you will be confirming your approval of this practice in your case.

HOW THIS AGREEMENT MAY BE TERMINATED

You, of course, have the right to end our services at any time. If you do so, you will be responsible for the payment of fees and costs accrued but not yet paid, plus reasonable fees and

costs in transferring the case to you or your new counsel. By the same token, we reserve the right to terminate our services to you upon written notice, order of the court, or in accordance with our attached Billing Policies memorandum. This could happen if you fail to pay our fees and costs as agreed, fail to cooperate with us in this matter, or if we determine we cannot continue to represent you for ethical or practical concerns.

CLIENT FILE

If you do not request the return of your file, we will retain your file for five years. After five years, we may have your file destroyed. If you would like your file maintained for more than five years or returned, you must make separate arrangements with us.

THANK YOU

On a personal note, we are pleased that you have selected Best Best & Krieger LLP to represent you. We look forward to a long and valued relationship with you and appreciate your confidence in selecting us to represent you in this case. If you have any questions at any time about our services or billings, please do not hesitate to call me.

If this letter meets with your approval, please sign and date it, and return the original to us. Unless you sign, date and return by February 14, 2025, we will not represent you in any capacity, and we will assume that you have made other arrangements for legal representation. We have enclosed a separate signed copy of this letter for your records.

Sincerely,



Noel Caughman
of BEST BEST & KRIEGER LLP

NC:rb

AGREED AND ACCEPTED:

By: _____

Dated: _____

BEST BEST & KRIEGER LLP'S BILLING POLICIES

Our century of experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. Clients are encouraged to discuss with us any questions they have about these policies and procedures. Clients may direct specific questions about a bill to the attorney with whom the client works or to our Accounts Receivable Department (accounts.receivable@bbklaw.com). Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

INVOICE AND PAYMENT OPTIONS

Best Best & Krieger strives to meet our clients' needs in terms of providing a wide variety of invoice types, delivery and payment options. Please indicate those needs including the preferred method of invoice delivery (Invoice via Email; or USPS). In addition, accounts.receivable@bbklaw.com can provide a W-9 upon request and discuss various accepted payment methods.

FEES FOR PROFESSIONAL SERVICES

Unless a flat fee is set forth in our engagement letter with a client, our fees for the legal work we will undertake will be based in substantial part on time spent by personnel in our office on that client's behalf. In special circumstances which will be discussed with the client and agreed upon in writing, fees will be based upon the novelty or difficulty of the matter, or the time or other special limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on the client's behalf. All legal services are billed in one-tenth of an hour (0.10/hour) or six-minute increments. Our attorneys are currently billed at rates from \$260 to \$1085 per hour, and our administrative assistants, research assistants, municipal analysts, litigation analysts, paralegals, paraprofessionals and law clerks are billed at rates from \$145 to \$350 per hour for new work. These rates reflect the ranges in both our public and our private rates. These hourly rates are reviewed annually to accommodate rising firm costs and to reflect changes in attorney status as lawyers attain new levels of legal experience. Any increases resulting from such reviews will be instituted automatically and will apply to each affected client, after advance notice.

Non-Attorney Personnel: BBK may employ the services of non-attorney personnel under the supervision of 09898.00000\43206339.1

a BBK attorney in order to perform services called for in the legal services agreement. The most common non-attorney personnel utilized are paralegals. Other types of non-attorney personnel include, but are not limited to, case clerks, litigation analysts, and specialty consultants. The client agrees that BBK may use such non-attorney personnel to perform its services when it is reasonably necessary in the judgment of the responsible BBK attorney. Hourly fees for non-attorney personnel will be charged at the rate then in effect for such personnel. A copy of BBK's current rates and titles for non-attorney personnel will be provided upon request.

FEES FOR ELECTRONICALLY STORED INFORMATION ("ESI") SUPPORT AND STORAGE

BBK provides Electronically Stored Information ("ESI") services for matters requiring ESI support, which are matters with a document population over 1GB – typically litigation or threatened litigation matters. BBK provides services for basic ESI processing and storage at the following rates per month based on the number of gigabytes of data ("GB") processed and stored:

1GB -250GB:	\$10 per GB
251GB - 550GB:	\$8 per GB
551GB - 750GB:	\$6 per GB
751GB - 1TB:	\$4 per GB

The amount BBK charges for basic processing and storage of ESI allows BBK to recover the costs of providing such services, plus a net profit for BBK. BBK believes that the rates it charges for processing and storage are lower than comparable services available from third party vendors in the market. If you wish to contract separately with a third party vendor for processing and storage costs, please notify PracticeSupportServices@bbklaw.com in writing. BBK also provides advanced ESI processing services at hourly rates for personnel in its Litigation Support Group. A copy of BBK's current rates for such services will be provided on request.

FEES FOR OTHER SERVICES, COSTS AND EXPENSES

We attempt to serve all our clients with the most effective support systems available. Therefore, in addition to fees for professional legal services, we also charge separately for some other services and expenses to the extent of their use by individual clients. These charges include but are not limited to, mileage at the current IRS approved rate per mile, extraordinary telephone and document delivery charges, copying charges, computerized research, court

filing fees and other court-related expenditures including court reporter and transcription fees. No separate charge is made for secretarial or word processing services; those costs are included within the above hourly rates.

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees and, as they are out-of-pocket charges, we need to have sufficient funds on hand from you to pay them when due. We will advise the client from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

ADVANCE DEPOSIT TOWARD FEES AND COSTS

Because new client matters involve both a substantial undertaking by our firm and the establishment of client credit with our accounting office, we require an advance payment from clients. The amount of this advance deposit is determined on a case-by-case basis discussed first with the client, and is specified in our engagement letter.

Upon receipt, the advance deposit will be deposited into the firm's client trust account. Our monthly billings will reflect such applications of the advance deposit to costs and not to attorney's fees (unless otherwise noted in our accompanying engagement letter). At the end of engagement, we will apply any remaining balance first to costs and then to fees. We also reserve the right to require increases or renewals of these advanced deposits.

By signing the initial engagement letter, each client is agreeing that trust account balances may be withdrawn and applied to costs as they are incurred and to our billings, when we issue our invoice to the client. If we succeed in resolving your matter before the amounts deposited are used, any balance will be promptly refunded.

MONTHLY INVOICES AND PAYMENT

Best Best & Krieger LLP provides our clients with monthly invoices for legal services performed and expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on the client's behalf that have been processed by the end of the prior month. Processing of some expenses is delayed until the next month and billed thereafter.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full

amount is covered by the balance of an advance held in our trust account.

It is our policy to treat every question about a bill promptly and fairly. It is also our policy that if a client does not pay an invoice within 60 days of mailing, we assume the client is, for whatever reason, refusing to pay. We reserve the right to terminate our engagement and withdraw as attorney of record whenever our invoices are not paid. If an invoice is 60 days late, however, we may advise the client by letter that the client must pay the invoice within 14 days or the firm will take appropriate steps to withdraw as attorney of record. If the delay is caused by a problem in the invoice, we must rely upon the client to raise that with us during the 14-day period. This same policy applies to fee arrangements which require the client to replenish fee deposits or make deposits for anticipated costs.

From time to time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.

CHANGES IN FEE ARRANGEMENTS AND BUDGETS

It may be necessary under certain circumstances for a client to increase the size of required advances for fees after the commencement of our engagement and depending upon the scope of the work. For example, prior to a protracted trial or hearing, the firm may require a further advance payment to the firm's trust account sufficient to cover expected fees. Any such changes in fee arrangements will be discussed with the client and mutually agreed in writing.

Because of the uncertainties involved, any estimates of anticipated fees that we provide at the request of a client for budgeting purposes, or otherwise, can only be an approximation of potential fees.

BEST BEST & KRIEGER LLP