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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: County Counsel

SUBMITTAL DATE: June 2, 2003

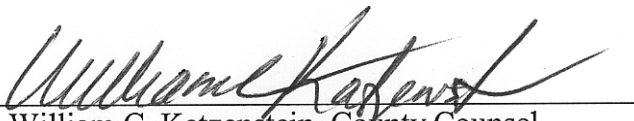
SUBJECT: Approval of Letter of Engagement with Manatt, Phelps & Phillips for Speciality Legal Services

RECOMMENDED MOTION: That the Board take the following action:

1. Approve the attached Letter of Engagement with Manatt, Phelps & Phillips for speciality legal services;
2. Direct the Clerk of the Board to return the executed copies to the Office of the County Counsel.

BACKGROUND: The Palo Verde Hospital, located in Blythe, California, is currently governed by the Palo Verde Healthcare District. The Hospital was formerly governed by the Palo Verde Hospital Association, a non-profit corporation which apparently ceased operation in 1969 and transferred governance of the hospital to the District. Substantial concerns have been raised regarding the governance of the Hospital, the relationship between the District and the Association, and the conduct of meetings. The Association and the District were the subject of a Grand Jury investigation, resulting in a report to this Board on March 25, 2003.

(Continued on next page.)


William C. Katzenstein, County Counsel

FINANCIAL DATA

CURRENT YEAR COST:	\$ 10,000	ANNUAL COST:	\$ 10,000
NET COUNTY COST:	\$ 10,000	IN CURRENT YEAR BUDGET:	YES/X NO/
		BUDGET ADJUSTMENT	YES/ NO/X

SOURCE OF FUNDS: 10000-1500100000 County Counsel

FY: 2002/03

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature



☒ Policy
☒ Policy

☐ Consent
☐ Consent

Department Recommendation:
Per Executive Office:

Prev. Agn. ref.

Dist.

AGENDA NO.

BACKGROUND : (continued)

The purpose of engaging speciality legal counsel is to facilitate involvement of the California Attorney General's office in enforcing proper governance of the Hospital, proper conduct of meetings, and proper transfer of assets of the Hospital between the Association and District where applicable. Jim Schwartz was previously with the Attorney General's office, where he specialized in health care transactions as a lead attorney for the AG.

Riverside County has an interest in ensuring that the Hospital is properly governed and remains a viable entity in the geographic region as there are no other hospitals available for the residents of this area, and the closure of this facility will have a direct impact on the health care services offered through the County.