

# AGREEMENT BETWEEN COUNTY OF LAKE & REDWOOD QUALITY MANAGEMENT COMPANY INC. FOR FISCAL YEARS 2025-2029

This Agreement is made and entered into by and between the County of Lake, hereinafter referred to as “County,” Redwood Quality Management Company, hereinafter referred to as “Contractor,” collectively referred to as the “parties.”

## RECITALS

**WHEREAS**, Redwood Quality Management Company (RQMC) is a well-established corporation with a long-standing history of providing comprehensive mental health and substance use disorder (SUD) treatment services, with a commitment to improving behavioral health outcomes for residents of Lake County and surrounding areas; and

**WHEREAS**, RQMC, in collaboration with Lake County Behavioral Health Services (LCBHS) and Redwood Community Services (RCS), submitted a proposal in response to Request for Proposals (RFP) No. 25-1138 for the Lake County Opioid Settlement Funds (OSF), and was awarded the Behavioral Health Continuum Infrastructure Program (BHCIP) Round 1 Launch Ready grant, aimed at constructing a state-of-the-art Behavioral Health campus in Lake County to provide much-needed Substance Use Disorder (SUD) treatment, co-occurring mental health treatment, and Mental Health Rehabilitation Center (MHRC) services; and

**WHEREAS**, this critical infrastructure project, as part of the Lake Behavioral Health Center (LBHC) initiative, is eligible to receive Opioid Settlement Funds (OSF) from Lake County to be utilized as a match for the BHCIP grant funding in accordance with the California Department of Healthcare Services (DHCS) guidelines and the County’s Opioid Settlement Funds Expenditure Plan; and

**WHEREAS**, the OSF funds will be used to support the predevelopment costs of this project, including property acquisition, engineering design, initial site work, and project management, all of which are integral to the successful launch of the Lake Behavioral Health Center, which will expand local access to high-quality mental health and substance use disorder treatment services in the county.

**NOW, THEREFORE**, based on the forgoing recitals, the parties hereto agree as follows:

- SERVICES.** Subject to the terms and conditions set forth in this Agreement, Redwood Quality Management Company, Inc. shall provide to County the services described in the “**Scope of Services**” attached hereto and incorporated herein as **Exhibit A** at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and **Exhibits A/B/C**, the Agreement shall prevail.
- TERM.** This Agreement shall commence on **July 1 2025, and shall terminate on June 30, 2029 unless earlier terminated as hereinafter provided.** In the event County desires to temporarily continue services after the expiration of this Agreement, such continuation shall be deemed on a month-to-month basis, subject to the same terms, covenants, and conditions contained herein.

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3. **COMPENSATION.** Contractor has been selected by County to provide the services described hereunder in **Exhibit A**, titled, “**Scope of Services.**” **Compensation to Contractors shall not exceed One Million, Two Hundred and Twelve Thousand and Nineteen Dollars and Eighty Cents (\$1,212,019.90).**

The County shall compensate Contractor for services rendered, in accordance with the provisions set forth in **Exhibit B**, titled “**Fiscal Provisions**” attached hereto and incorporated herein, provided that Contractor is not in default under any provisions of this Agreement.

4. **TERMINATION.** This Agreement may be terminated by mutual consent of the parties or by County upon 30 days written notice to Contractor.  
In the event of non-appropriation of funds for the services provided under this Agreement, County may terminate this Agreement, without termination charge or other liability.

Upon termination, Contractor shall be paid a prorated amount for the services provided up to the date of termination.

5. **MODIFICATION.** This Agreement may only be modified by a written amendment hereto, executed by both parties; however, matters concerning scope of services which do not affect the compensation may be modified by mutual written consent of Contractor and County executed by the Lake County Behavioral Health Services Administrator.

6. **NOTICES.** All notices that are required to be given by one party to the other under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited with the United States Post Office for delivery by registered or certified mail addressed to the parties at the following addresses, unless such addresses are changed by notice, in writing, to the other party.

County of Lake  
Lake County Behavioral Health Services  
PO Box 1024  
6302 Thirteenth Avenue  
Lucerne, CA 95458-1024  
Attn: Elise Jones, MA  
Director

Redwood Quality Management  
Company  
350 E. Gobbi St.  
Ukiah, CA 95482  
  
Attn: Timothy Schraeder  
Chief Executive Officer

7. **EXHIBITS.** The Agreement Exhibits, as listed below, are incorporated herein by reference:

Exhibit A - Scope of Services  
Exhibit B - Fiscal Provisions  
Exhibit C - Compliance Provisions

8. **TERMS AND CONDITIONS.** Contractor warrants and agrees that it shall comply with all terms and conditions of this Agreement including **Exhibit A**, **Exhibit B**, and **Exhibit C**, titled, “**Compliance Provisions,**” attached hereto and incorporated herein in addition to all other applicable federal, state and local laws, regulations and policies.

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9. **INTEGRATION.** This Agreement, including attachments, constitutes the entire agreement between the parties regarding its subject matter and supersedes all prior Agreements, related proposals, oral and written, and all negotiations, conversations or discussions heretofore and between the parties.

County and Contractor have executed this Agreement on the day and year first written above.

COUNTY OF LAKE


REDWOOD QUALITY MANAGEMENT  
COMPANY, INC.

\_\_\_\_\_  
Chair  
Board of Supervisors  
Date: \_\_\_\_\_

  
\_\_\_\_\_  
Timothy Schrader (Jul 24, 2025 13:39:52 PDT)  
Chief Executive Officer  
Date: 07/24/2025

APPROVED AS TO FORM:  
CARLOS TORREZ  
Sr. Deputy County Counsel

ATTEST:  
SUSAN PARKER  
Clerk to the Board of Supervisors

By:   
Date: 7/24/25

By: \_\_\_\_\_  
Date: \_\_\_\_\_

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# AGREEMENT BETWEEN COUNTY OF LAKE & REDWOOD QUALITY MANAGEMENT COMPANY INC. FOR FISCAL YEARS 2025-2029

## EXHIBIT A – SCOPE OF SERVICES

### 1. DESCRIPTION OF SERVICES.

**Program Name:**

Lake Behavioral Health Center (LBHC) - Mental Health Rehabilitation Center (MHRC) & Outpatient Mental Health and Substance Use Disorder Treatment (SUDT) Clinic

**Program Description:**

This project involves the creation of a Mental Health Rehabilitation Center (MHRC) and an Outpatient SUDT Clinic for Lake County residents, addressing the acute shortage of mental health treatment beds and specialized substance use disorder (SUD) services. The MHRC will be a 16-bed facility, providing ASAM 3.7 Medically Monitored High-Intensity Inpatient Services, including Medication-Assisted Treatment (MAT) and withdrawal management for individuals with co-occurring mental health and substance use disorders. The Outpatient Clinic will serve a wide range of clients, from children to adults, providing Specialty Mental Health Services, SUDT, and Enhanced Case Management (ECM) services.

These services are designed to serve Medi-Cal beneficiaries at risk of crisis hospitalization, homelessness, or severe mental health and substance use symptoms. Additionally, youth services will focus on those at risk of losing school or home placements.

The project directly supports the Opioid Settlement Funds (OSF) priorities for the county, aiming to address opioid use disorders, reduce overdose deaths, and increase the availability of residential and outpatient treatment for individuals with co-occurring disorders. The project is part of a larger infrastructure plan, with Phase I focused on developing the MHRC and Outpatient Clinic, followed by Phase II for the development of a Wellness/Training Center and transitional housing.

**Target Population:**

- Adults (Aged 18-25) and youth (Aged 16-25) with co-occurring substance use and mental health disorders.
- Medi-Cal beneficiaries at risk of crisis hospitalization or homelessness.
- Youth in need of diversion services from the juvenile justice system, particularly those with histories of trauma, opioid use, and school/home placement risk.
- The program is also designed to serve individuals from tribal communities in Lake County, providing culturally responsive services.

**Program Location:**

- The Lake Behavioral Health Center will be located at 1329 and 1319 Todd Road Extension in Lakeport, California. This property consists of approximately 3.5 acres and is in a zoned commercial area, ensuring it meets local zoning ordinances for health services and residential care facilities.

**Program Components and Services:**

- Mental Health Rehabilitation Center (MHRC): A 16-bed facility offering ASAM 3.7, high-intensity inpatient services, and withdrawal management for adults with dual-

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diagnosis. This will include specialized Medication-Assisted Treatment (MAT) and co-occurring disorder treatment.

- Outpatient Clinic: Providing Specialty Mental Health Services, SUDT, MAT, and Enhanced Case Management (ECM) for youth, families, and adults. This includes walk-in services, perinatal substance use treatment, and access to Naloxone and peer support services.
- Transitional Housing: A 12-unit facility offering transitional housing for individuals stepping down from the MHRC and receiving support services to facilitate their reintegration into the community.

## **Funding Use:**

- The requested OSF funds will be used to support predevelopment costs, including property acquisition, engineering, initial site work, and project management. This will help meet the local match requirement for the BHCIP Round 1: Launch Ready RFA application, which is seeking funding for the construction of the MHRC and the Outpatient Clinic. The total OSF request is \$1,212,019.80. Additionally, \$138,544 has already been spent by RQMC on predevelopment.

## **Project Timeline:**

- Phase 1: Immediate launch of MHRC and Outpatient Clinic in 2025, with construction beginning in 2026 and program services beginning after completion of construction.
- Phase 2: Expansion in 2029, which will include the development of a Wellness/Training Center and 12-unit transitional housing.

## **Alignment with OSF Priorities:**

- The MHRC and Outpatient Clinic will address High Impact Abatement Activity Goal #5, targeting vulnerable populations and offering prevention and treatment strategies for opioid abuse, specifically focusing on co-occurring disorders. These services will fill a critical gap in the county's treatment capacity, providing local, culturally competent services for individuals impacted by opioids and other substance use disorders.

## **Sustainability Strategy:**

- OSF funds will support acquisition and development costs and contribute to the BHCIP local match. The phased approach ensures that services will be scalable and sustainable. The clinic is expected to generate revenue through Medi-Cal reimbursement and other state-funded programs. Future expansions, including the transitional housing facility, will be supported by BHCIP funds and additional funding sources.

## **Outcome Measures:**

- The success of the project will be measured using standard clinical tools (e.g., PHQ-9, GAD-7) to assess improvements in mental health and substance use symptoms.
- Program effectiveness will be monitored through client retention rates, engagement in MAT, successful transitions to community-based care, and reduction in homelessness.

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## EXHIBIT B – PAYMENT TERMS

### 1. Funding Disbursement and Reimbursement Process

The funds provided under this Agreement may be disbursed as reimbursements or, where explicitly authorized, as advance payments in accordance with the approved project budget and Lake County's purchasing ordinance and OSF compliance requirements.

### 2. BHCIP Match Funding Requirements

The Bond BHCIP Rounds 1 & 2 Match Reference Guide instructs awardees that "*Cash match pledges must be deposited within 90 days of PFA execution.*"

The Bond BHCIP Rounds 1 & 2 Program Funding Agreement also specifies: "*evidence in the form of account statements that any funds required to match the Program Funds pursuant to the RFA ("Match Funds") have been deposited into the AHP-designated Match Funds bank account within ninety (90) days of the Effective Date of this Agreement.*"

In order to access deposited Match Funds, BHCIP Awardees will be required to submit formal "Draw Requests" to AHP. Draw Requests to AHP are required to include: Detailed Invoices, Proof of Payment or vendor invoices, Purchase Orders (if pre-payment), Timesheets/Payroll Records (if applicable), and Progress Reports tied to scope and deliverables.

In order to comply with these BHCIP "cash match" requirements, the balance of the Lake OSF grant dollars, not used for Property Acquisition, will be disbursed as an Advanced Payment to RQMC. RQMC will deposit those funds into the AHP-designated Match Funds bank account within ninety (90) days of the Effective Date of the BHCIP Program Funding Agreement. Draw Requests for funds in the AHP Match Funds bank account will be in compliance with the "Required Documentation for All Payment Requests" as outlined in this LCBHS Contract. Copies of Draw Request Documentation will also be submitted to LCBHS to verify compliance with County and OSF requirements.

#### a) **Payment Schedule:**

Contractor may submit payment requests on a quarterly basis or more frequently as agreed upon, based on incurred expenses or authorized deliverables.

#### b) **Required Documentation for All Reimbursement Payment Requests:**

Each reimbursement request must include:

- i. Detailed invoice
- ii. Proof of payment or vendor invoice (if reimbursement)
- iii. Proof of executed agreements, contracts, or purchase orders (if pre-payment)
- iv. Timesheets/payroll records (if applicable)
- v. Progress reports tied to scope and deliverables
- vi. Any additional documentation requested by LCBHS to verify compliance with County and OSF requirements

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## 3. Deliverables and Payment Milestones

Phase	Deliverable	Payment Type	Amount	Trigger	Documentation
1	<b>Property Acquisition Completion</b>	<i>Advance Payment Permitted</i>	\$569,000.00	Upon execution of a binding purchase agreement and submittal of invoice or escrow documentation	Signed purchase agreement, escrow instructions, invoice, and confirmation of ownership transfer upon closing
1	Architectural, Engineering, Site Surveys	<i>Advance Payment Permitted</i>	\$505,000.00	Based on percentage of work completed	Invoices, certified progress reports from architect/engineer, permit documentation
1	Project Management & Predevelopment	<i>Advance Payment Permitted</i>	\$132,926.54	Based on milestone or time-based progress	Project management reports, task completion logs, invoices
2	Conditional Use Permit Application	<i>Advance Payment Permitted</i>	\$5,093.26	Upon submission of application	Final application, copies of construction drawings, engineer certifications

## 4. Payment Process and Timelines

- a. Property Acquisition funds will be immediately dispersed to RQMC and deposited into an Escrow Account at Fidelity National Title Company for property acquisition
- b. The Balance of the OSF Grant will be provided as an Advance Payment to RQMC and will be deposited into an AHP-designated Match Funds bank account within ninety (90) days of the Effective Date of the executed Bond BHCIP Round 1 & 2 Program Funding Agreement
- c. Submission: Contractor submits payment requests with documentation to AHP and LCBHS.
- d. Review: AHP and LCBHS will review within 30 days for completeness and compliance.
- e. Payment: AHP Approved payments will be issued in accordance with BHCIP protocols.

## 5. Additional Terms

- a. Unspent Funds: Must be returned to the County at project conclusion or if the Agreement is terminated.
- b. Audit & Oversight: Contractor shall maintain records and allow access to auditors or County oversight staff upon request.
- c. Budget Adjustments: Any proposed reallocation of funds between budget categories must receive prior written approval from LCBHS.

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## **EXHIBIT C – COMPLIANCE PROVISIONS**

This Agreement incorporates the following compliance terms, which must be adhered to by Redwood Quality Management Company (RQMC) throughout the duration of the project:

**1. Compliance with Laws and Regulations:**

RQMC shall comply with all applicable federal, state, and local laws, regulations, and policies governing the provision of mental health and substance use disorder treatment services. This includes, but is not limited to, the requirements of the California Department of Healthcare Services (DHCS), the Health Insurance Portability and Accountability Act (HIPAA), and any other regulatory or oversight bodies relevant to the project.

**2. Licensing and Certification:**

RQMC shall ensure that all necessary licenses and certifications are obtained and maintained to provide the services described in this Agreement, including those related to Mental Health Rehabilitation Centers (MHRC), Substance Use Disorder (SUD) treatment programs, and any other services related to this project. RQMC shall ensure compliance with all licensing standards and renewals as required by DHCS and other regulatory agencies.

**3. Records Management and Confidentiality:**

RQMC shall maintain all records in accordance with applicable laws, including but not limited to, HIPAA, 42 CFR Part 2, and all applicable state laws regarding confidentiality and the protection of personal health information. RQMC shall ensure that all records pertaining to the services provided under this Agreement are accurate, complete, and protected from unauthorized access.

**4. Performance and Reporting:**

RQMC agrees to provide the Lake County Behavioral Health Services (LCBHS) with regular reports, in accordance with the specifications outlined in the Agreement, detailing the progress and outcomes of the program. These reports shall include the required data to demonstrate the success of the program, including client outcomes, service delivery, and adherence to the scope of work. All reports must be submitted within the timeframes specified in the Agreement.

**5. Fiscal Compliance:**

RQMC shall ensure that all expenditures of Opioid Settlement Funds (OSF) and other funds are made in accordance with the terms of this Agreement and the Lake County Opioid Settlement Funds Expenditure Plan. RQMC shall keep accurate and complete records of all financial transactions and make such records available for review by LCBHS or any other authorized entity. RQMC shall follow all requirements for submitting invoices, expenditure reports, and supporting documentation for reimbursement of OSF funds as outlined in this Agreement.

**6. Audits and Inspections:**

RQMC agrees to allow LCBHS, the County of Lake, or any other relevant governmental agency to conduct audits, inspections, or reviews of RQMC's records, facilities, and services related to this Agreement. These audits may be conducted at any reasonable time during the term of the Agreement and shall include, but not be limited to, audits of financial records, programmatic activities, and compliance with all applicable laws and regulations.



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**7. Non-Discrimination:**

RQMC agrees to provide services in a manner that is free from discrimination on the basis of race, color, national origin, sex, age, disability, or any other characteristic protected by law. RQMC shall adhere to all applicable non-discrimination laws and regulations, including the California Fair Employment and Housing Act (FEHA) and federal laws governing non-discrimination.

**8. Subcontractors:**

RQMC shall be responsible for ensuring that any subcontractors it engages to perform work under this Agreement adhere to all applicable requirements, including those related to licensing, certification, recordkeeping, confidentiality, and reporting. RQMC shall ensure that any subcontractor agreements include provisions to comply with the terms and conditions of this Agreement.

**9. Indemnification:**

RQMC agrees to indemnify, defend, and hold harmless Lake County and its employees, agents, and contractors from any and all claims, damages, liabilities, costs, and expenses arising from or related to the performance of this Agreement, including but not limited to claims of negligence, breach of contract, or failure to comply with applicable laws.

**10. Termination for Cause:**

If RQMC fails to comply with any of the terms of this Agreement, including failure to meet the required performance standards, LCBHS may terminate the Agreement for cause, subject to the terms and conditions of the termination clause. In the event of termination, RQMC shall return any unspent OSF funds to LCBHS and shall provide all requested reports, data, and records related to services provided under the Agreement.

**11. Compliance with Funding Requirements:**

RQMC agrees to comply with all requirements imposed by the Opioid Settlement Funds (OSF), including but not limited to, maintaining records that demonstrate the appropriate use of the funds, providing necessary documentation for reimbursement requests, and ensuring that OSF funds are used solely for purposes directly related to opioid abatement efforts as outlined in the County's Opioid Settlement Funds Expenditure Plan.







# 24.25.48 Redwood Quality Management\_OSF for BHCIP\_FYs 2024-2029\_FINAL\_DAN

Final Audit Report

2025-07-24

Created:	2025-07-24
By:	Sarah Miller (sarah.miller@lakecountyca.gov)
Status:	Signed
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## "24.25.48 Redwood Quality Management\_OSF for BHCIP\_FYs 2024-2029\_FINAL\_DAN" History

-  Document created by Sarah Miller (sarah.miller@lakecountyca.gov)  
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-  Signer tims@anchorhm.org entered name at signing as Timothy Schraeder  
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-  Document e-signed by Timothy Schraeder (tims@anchorhm.org)  
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