

BOARD OF SUPERVISORS, COUNTY OF LAKE, STATE OF CALIFORNIA

RESOLUTION NO. _____

AMENDMENT NO. 3 TO RESOLUTION NO. 2025-74: ESTABLISHING A SEVEN-YEAR REPAYMENT PLAN WITH PROSPECTIVE SIMPLE INTEREST FOR THE OUTSTANDING GENERAL FUND LOAN TO LAKE COUNTY BEHAVIORAL HEALTH SERVICES

RECITALS

WHEREAS, Government Code Sections 29125, 29126, 29126.1, and 29130 authorize the Board of Supervisors to transfer and revise appropriations, cancel unused appropriations, transfer unused appropriations to contingencies, reduce estimates, and cancel appropriate designations and reserves other than the general reserve; and

WHEREAS, Lake County Behavioral Health Services previously experienced significant cash-flow constraints related to the implementation of the California Mental Health Services Authority Semi-Statewide Enterprise Health Record, delayed Medi-Cal claiming and reimbursement, Medi-Cal payment reform, Intergovernmental Transfer requirements, and timing delays associated with State and federal reimbursement; and

WHEREAS, on or about March 19 2024, the Board of Supervisors adopted Resolution No. 2024-32, which authorized a short-term loan to Lake County Behavioral Health Services to support operational cash flow during the period of delayed claims processing and reimbursement; and

WHEREAS, Lake County Behavioral Health Services has repaid a portion of the original loan amount, leaving an outstanding balance of Two Million Dollars (\$2,000,000) owed to the County General Fund; and

WHEREAS, on June 17, 2025, the Board of Supervisors adopted Resolution No. 2025-74, authorizing a short-term loan from the General Fund to Lake County Behavioral Health Services in the amount of Two Million Dollars (\$2,000,000); and

WHEREAS, on September 16, 2025, the Board of Supervisors adopted Resolution No. 2025-115 ("Resolution Amending Resolution No. 2025-74 (Adopted June 17, 2025): Extending the Repayment Deadline for the \$2,000,000 General Fund Loan to Lake County Behavioral Health Services Department") in recognition of continued cash-flow constraints tied to the Medi-Cal Intergovernmental Transfer process and timing of reimbursements; and

WHEREAS, Lake County Behavioral Health Services has continued to prioritize service continuity, vendor stability, workforce payroll, mandated behavioral health services, and required Medi-Cal financing obligations while working toward fiscal stabilization; and

WHEREAS, the Board of Supervisors has considered repayment options for the outstanding Two Million Dollar (\$2,000,000) loan balance and has directed staff to return with a formal mechanism for repayment over a seven-year period; and

WHEREAS, the Board of Supervisors does not approve loan forgiveness and desires full repayment of the outstanding principal balance; and

WHEREAS, the Board of Supervisors has further considered whether interest should be applied to the repayment plan; and

WHEREAS, the Board of Supervisors desires to establish a repayment plan that provides full repayment of principal, includes prospective simple interest, and allows Lake County Behavioral Health Services to continue stabilizing operations and maintaining mandated behavioral health services; and

WHEREAS, Lake County Behavioral Health Services anticipates Federal Financial Participation revenue associated with administrative claiming and quality assurance/quality improvement activities and may apply available one-time or delayed revenues toward accelerated repayment to the extent cash flow allows; and

WHEREAS, a seven-year repayment plan with prospective simple interest provides accountability to the General Fund while preserving the Department's ability to manage provider payments, payroll, Medi-Cal claiming, Intergovernmental Transfer/local match requirements, and service continuity;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Lake, State of California, as follows:

1. The Board hereby establishes a seven-year repayment plan for the outstanding Two Million Dollar (\$2,000,000) General Fund loan balance owed by Lake County Behavioral Health Services.
2. Lake County Behavioral Health Services shall repay the outstanding principal balance in annual payments over a period not to exceed seven fiscal years.
3. The minimum annual principal payment shall be approximately Two Hundred Eighty-Five Thousand Seven Hundred Fourteen Dollars and Twenty-Nine Cents (\$285,714.29), subject to final accounting confirmation by the Auditor-Controller.
4. Prospective simple interest shall accrue on the outstanding principal balance beginning on _____, 2026.
5. The interest rate shall be _____ percent (____%) per annum, or alternatively, the rate shall be based on the County Treasury pool rate as determined by the Auditor-Controller, unless otherwise directed by the Board.
6. Interest shall be calculated prospectively only. No retroactive interest shall be charged for any period prior to the effective date established in this Resolution.
7. Interest shall be simple interest only. Interest shall not compound.
8. Lake County Behavioral Health Services may make accelerated or lump-sum payments toward the outstanding principal balance when delayed revenues, one-time revenues, administrative claiming revenue, quality assurance/quality improvement revenue, Medi-

Cal reimbursement, or other available funds are received, provided that the Department has sufficient cash capacity after accounting for payroll, provider obligations, mandated services, Intergovernmental Transfer/local match requirements, and other required operating needs.

9. Any accelerated or lump-sum payments shall first be applied to accrued interest, if any, and then to outstanding principal, unless otherwise directed by the Auditor-Controller.
10. Lake County Behavioral Health Services shall provide periodic updates, no less than annually, regarding repayment status, cash-flow condition, reimbursement activity, accrued interest, and any anticipated accelerated repayment opportunities.
11. The Auditor-Controller is authorized and directed to make any necessary accounting entries to reflect the repayment plan and prospective simple interest established by this Resolution.
12. All other terms of Resolution No. 2024-32, Resolution No. 2025-74, and Resolution No. 2025-115 as previously amended, shall remain in effect except to the extent modified by this Resolution.

THIS RESOLUTION was passed and adopted by the Board of Supervisors of the County of Lake at a regular meeting held on the ____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

COUNTY OF LAKE

Chair, Board of Supervisors

Date: _____

APPROVED AS TO FORM:

LLOYD GUINTIVANO

County Counsel

By: _____

Date: August 7, 2026

Digitally signed by Lloyd C. Guintivano
DN: cn=Lloyd C. Guintivano, o=US,
ou=County of Lake, ou=Office of the County
Counsel,
email=Lloyd.Guintivano@lakecountyca.gov
Date: 2026.08.07 09:11:06 -07'00'

**AUDITOR ACCOUNTING REVIEW:
JENAVIVE HERRINGTON**

BY: Jenavive Herrington
Jenavive Herrington (Oct 1, 2026 11:40:52 PDT)

Date: 10/01/2026

ATTEST:

SUSAN PARKER

Clerk to the Board of Supervisors

By: _____

Date: _____