

San Juan County Public Hospital District #3
Orcas Island Health Care District

RESOLUTION 2018-7

RESOLUTION ADOPTING BYLAWS AND RULES FOR CONDUCT OF COMMISSIONERS' MEETINGS

WHEREAS, the Board of Commissioners of the Orcas Island Health Care District are required by the provisions of RCW 70.44.050 to adopt Bylaws or rules governing the transaction of business by the Board of Commissioners; and,

WHEREAS, the Board of Commissioners have decided to adopt the Bylaws attached to this resolution as Exhibit A; and,

WHEREAS, the Board of Commissioners have decided to adopt the Rules for Conduct of Commissioners' Meetings attached to this resolution as Exhibit B.

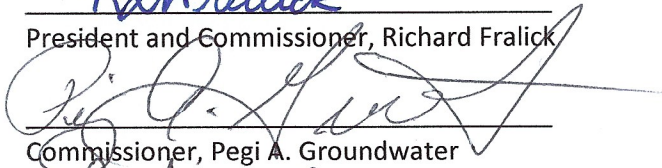
THEREFORE, BE IT RESOLVED by the Board of Commissioners for Orcas Island Health Care District, that the Bylaws in the form attached to this resolution as Exhibit A are hereby adopted as the Bylaws of the Orcas Island Health Care District; and

FURTHER RESOLVED, that the Rules for Conduct for Commissioners' Meetings attached to this Resolution as Exhibit B are hereby adopted as the rules governing the conduct of all meetings of the Board of Commissioners.

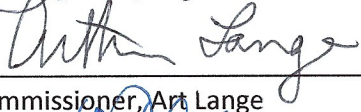
Adopted this 19th Day of June, 2018.



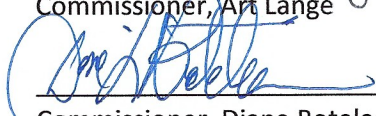
President and Commissioner, Richard Fralick



Commissioner, Pegi A. Groundwater



Commissioner, Art Lange



Commissioner, Diane Boteler M.D.



Secretary and Commissioner, Patricia Miller

Exhibit A

**SAN JUAN COUNTY
PUBLIC HOSPITAL DISTRICT # 3
BYLAWS**

Adopted June 19, 2018

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SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT # 3 BYLAWS

ARTICLE I FORMATION AND PURPOSE

San Juan County Public Hospital District # 3 (the "District"), a municipal corporation, was created in May 2018 by a vote of the people to provide health care services for the residents of the District and others served by the District. The District's activities shall be conducted in conformity with the Constitution and laws of the State of Washington, including Chapter 70.44 RCW, as now in effect and hereafter amended. These Bylaws are adopted to further the District's lawful purposes, which include providing quality health care services appropriate to the needs of the District's population.

ARTICLE II NAME

The District shall be called the Orcas Island Health Care District for all business purposes and in all interactions with the public except in those instances where the District's legal name is required by law to be used.

ARTICLE III BOARD OF COMMISSIONERS

Section 3.1. Qualification, Election and Oath of Office. Each person elected to the office of public hospital district commissioner (a "Commissioner") shall be a registered voter residing within the District's boundaries. All Commissioners shall be elected and serve in the manner and for the term prescribed by law. All members of the Board of Commissioners (the "Board"), whether elected or appointed, shall be required to take an oath of office in the form prescribed by the laws of the State of Washington relating to public officials.

Section 3.2. Organization and Board Officers. The five-member Board shall, at its first regular meeting each calendar year, elect from its members a President and Secretary, by a majority vote of the Board in each case. The terms of all officers shall be for one year.

Section 3.2.1. President. The President shall act as the presiding officer at Board meetings and shall execute on the District's behalf any agreements and documents duly authorized by the Board that require his or her signature.

Section 3.2.2. Secretary. The Secretary shall prepare, or cause to be prepared, minutes of all regular and special Board meetings, shall sign the minutes and shall keep or cause them to be kept in a proper book for that purpose. The minute book shall be open to public inspection. In the absence of the President, the Secretary shall preside at Board meetings.

Section 3.2.3. Officer Vacancy. If a vacancy occurs in the office of either the President or Secretary, an election of officers shall take place at the next regular Board meeting to fill the unexpired term created by the vacancy.

Section 3.2.4. Commissioner Vacancy. A vacant Commissioner position shall be filled by the Board appointing a new member in the manner prescribed by law.

Section 3.2.5. Removal from Board Officer Position. Board Officers (President and Secretary) may be removed from their Board Officer positions only upon a majority vote of the entire Board, with the resolution for removal being introduced at a regular Board meeting and voted on at a subsequent regular Board meeting.

Section 3.3. Board Meetings. The District strives for transparency in all aspects of District operations and governance. Accordingly, all Board meetings shall be open and public in compliance with the Open Meetings Act, Chapter 42.30 RCW, and all persons shall be permitted to attend any Board meeting, except as otherwise provided by law. All meetings shall be conducted in compliance with rules adopted by the Board from time to time.

Section 3.2. Board Duties. The Board is the District's governing body and is responsible for overseeing the District's general policies and operations. In fulfilling this responsibility, the Board shall adopt the general policies necessary to achieve these ends and delegate the District's day-to-day operations to the Superintendent. Among other things, the Board shall strive to:

- (i) Determine the policies of the District in proper relation to community needs;
- (ii) Provide, directly or by contract, facilities, equipment, and personnel to meet the needs of patients within the purposes of the District and consistent with present and future community needs;
- (iii) Assure, directly or by contract, that an appropriate standard of professional care is maintained any healthcare entity supported by the District and that any healthcare entity supported by the District is accountable to the Board;

- (iv) Exercise proper care and judgment in the selection of a qualified Superintendent who shall be responsible for implementing the Board's policies;
- (v) Promote planning and coordinate professional interests with administrative, financial, and community needs, the District's policies and purposes;
- (vi) Provide for the annual evaluation of the Superintendent and the Board;
- (vii) Provide for the sound administration and application of public funds, adopting annual budgets for the District at the times and in the manner required by law; and
- (xiv) Maintain accurate records of District finances and all related activities.

ARTICLE IV OTHER OFFICERS

Section 4.1. Superintendent.

Section 4.1.1 Appointment. The Board shall select and appoint as Superintendent a competent and experienced administrator who shall be its direct representative in the management of the District. The Superintendent shall be appointed for an indefinite term, removable at the will of the Board, and shall receive such compensation as the Board shall establish by resolution. The appointment or removal of the Superintendent shall be by Board resolution, adopted at a regular Board meeting by majority vote.

Section 4.1.2. Powers and Duties. The Superintendent shall be the District's chief executive and administrative officer. In direct charge with full authority to act, as representative of the Board, and subject to its policies, he or she shall be responsible for the efficient administration of all the District's affairs. In the performance of his or her duties prescribed by law, all of which shall be faithfully discharged, and not by way of limitation of his or her authority, the Superintendent shall:

- (i) Carry out the Board's policies and orders and see that all the laws of the State of Washington pertaining to matters within the District's functions are duly enforced;
- (ii) Prepare annually a budget or budgets showing anticipated receipts and expenditures for the following fiscal year which shall be submitted to the Board in sufficient time to allow timely filing and hearing on the budget before adoption as required by law;

- (iii) Select, employ, direct, and discharge all employees authorized by the current budget, assuring that they are competent to perform their duties;
- (iv) Ensure that all District buildings, equipment, and other facilities are maintained in good repair;
- (v) Furnish periodic recommendations to the Board with respect to the acquisition, development, and extension of desirable health care facilities, equipment, and services, including financial estimates for the above;
- (vi) Supervise all of the District's business affairs, including the disbursement of funds, recording of financial transactions, collection of accounts, and purchase and issue of supplies;
- (vii) Certify to the Board all the bills, allowances and payrolls, including claims due contractors;
- (viii) Submit monthly reports to the Board regarding the District's services and financial activities along with any special reports the Board may request;
- (ix) Prepare the agenda for all Board meetings and attend all Board meetings and participate in the discussion of matters being considered;
- (x) Execute, on behalf of the District, all contracts, agreements, and other documents that he or she may deem appropriate within the scope of his or her authority or as authorized by Board resolution to sign;
- (xi) Undertake on the Superintendent's own initiative the performance of such other duties, consistent with law and Board policies, as may be in the District's best interests; and
- (xii) Any other assignments as directed by the Board.

Section 4.2. Treasurer. The San Juan County Treasurer shall serve as the Treasurer for the District. The Treasurer shall receive, deposit and disburse all funds of the District in the manner provided by law under the Superintendent's supervision and as directed by resolutions of the Board to the extent of its lawful discretion.

Section 4.3. Auditor. The San Juan County Auditor shall serve as the District's Auditor. The auditor shall draw, sign and issue all warrants for the disbursement of District funds upon the orders of, or vouchers approved by, the Board; and shall perform such other duties relating to the District's business affairs including the recording of financial transactions, collection of accounts, and the routine purchase and issue of supplies as are requested by the Superintendent.

ARTICLE V INDEMNIFICATION AND INSURANCE

Section 5.1. Indemnification. The District shall indemnify and hold harmless to the fullest extent permitted by law each current and past Commissioner, officer, employee or agent of the District who is made a party to or is threatened to be made a party to, or is involved (including, without limitation, as a witness) in an actual or threatened action, suit or other proceeding, whether civil, administrative or investigative, due to his or her service as a District Commissioner, officer, employee or agent, or his or her service, at the District's request, as a director, officer, employee, agent, trustee or in any other capacity of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is an alleged action or omission in an official capacity or in any other capacity while serving as a Commissioner, officer, employee, agent, trustee or any other capacity, against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties in amounts to be paid in settlement) actually or reasonably incurred or suffered by the indemnified person in connection with the indemnified matter. Indemnification may continue and shall inure to the benefit of the heirs and personal representatives of a person who has ceased to be a Commissioner or a District officer, employee or agent.

Section 5.2. Insurance. The District may purchase and maintain insurance, at its expense, to protect itself and any current or past Commissioner, officer, employee, agent or trustee of the District or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss to the fullest extent permitted by law.

ARTICLE VI CONSTRUCTION AND CONVENTIONS

Section 6.1. Gender and Number. As used in these Bylaws, personal pronouns shall be interpreted to refer to persons of either gender and relative words whenever applicable to more than one person shall be read as if written in the plural.

Section 6.2. Titles, Headings and Captions. The titles, headings, and captions appearing in these Bylaws are used and intended for convenience of description or reference only and shall not be construed or interpreted to limit, restrict, or define the scope or effect of any provision.

Section 6.3. Severability. If any provision of these Bylaws or its application to any person or circumstance is held invalid by a court of competent jurisdiction, the

remainder of these Bylaws or the application of the provision to other persons or circumstances shall not be affected.

ARTICLE IX AMENDMENT

These Bylaws may be amended by resolution of the Board adopted at a regular meeting.

Adopted this 19th day of June, 2018.

/S/ Diane Boteler, M.D
Diane Boteler, M.D., Commissioner

/S/ Richard Fralick
Richard Fralick, President and Commissioner

/S/ Pegi A. Groundwater
Pegi A. Groundwater, Commissioner

/S/ Art Lange
Art Lange, Commissioner

/S/ Patty Miller
Patty Miller, Secretary and Commissioner

EXHIBIT B

ORCAS ISLAND HEALTH CARE DISTRICT

RULES FOR CONDUCT OF COMMISSIONERS' MEETING

- A. Meetings shall be conducted according to the Roberts Rules of Order.
- B. The President shall preside at all meetings; in the President's absence the Secretary shall preside. If neither officer is available the Commissioners present shall elect one of their members to preside.
- C. The dates, times and locations for all regular Board meetings shall be posted on the District's website, if the District maintains a website. If any regular meeting falls on a holiday, the regular meeting shall be held on the next business day following the holiday. "Regular meetings" means recurring meetings held in accordance with a periodic schedule established by resolution or rule of the Board from time to time.
- D. A special Board meeting may be called at any time by the President or by a majority of the Board members. At least twenty-four (24) hours before the time of a special meeting, written notice of the special meeting setting forth the time and place of the special meeting and the business to be transacted shall be: (i) posted on the District's website unless the District does not have a website, (ii) prominently displayed at the District's principal place of business, if any, and at the meeting site if the special meeting is not held at the District's place of business, (iii) delivered personally, by mail, or by e-mail to each local newspaper of general circulation and to each local radio or television station that has filed with the Board a written request to be notified of special meetings, and (iv) given personally, by mail, or by e-mail to each Commissioner.
- E. Written notice of a special meeting shall be deemed waived by any Commissioner who, before the meeting begins, files a written waiver of notice with the Secretary by letter, telegram or e-mail or who is actually present at the special meeting at the time it begins.
- F. On or before November 1st of each year the Board shall set the District's proposed budget for the following year. All documents in support of budget proposals, including the proposed budget document, shall be provided to Commissioners at least ten (10) days prior to any Board meeting to set the District's proposed annual budget.
- G. No later than November 15th of each year, the Board shall hold a public hearing on the District's proposed budget for the following year and any possible increase

in tax revenues. Any citizen may appear at the public hearing and be heard regarding the whole or any part of the proposed budget. Upon conclusion of the public hearing, the Board shall, by resolution at a special meeting called for that purpose, adopt the budget and set the levy for the next year.

- H. If, due to fire, flood, earthquake, or other natural or man-made emergency, the Board needs to take expedited action to meet the emergency, the President may provide for a meeting site other than the regular meeting site and the notice requirements of these Bylaws shall be suspended during the emergency. The meeting notices required by these Bylaws may also be dispensed with if a special meeting is called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, when the notice time requirements would make notice impractical and increase the likelihood of the injury or damage occurring.
- I. All materials to be reviewed or acted upon during a Board meeting shall be provided to each Commissioner at least 24 hours prior to the scheduled meeting unless impractical.
- J. Meeting materials, such as agendas, resolutions and exhibits, shall be posted on the District's website at least 24 hours prior to the scheduled meeting unless the District does not have a website or (ii) time constraints or technical aspects (e.g. file size limitations) make this goal impracticable. Failure to post any materials on the District's website shall not invalidate any otherwise legal action taken at a Board meeting.
- K. Agendas for regular Board meetings may be amended by the President or Secretary after posting either by posting the revised agenda on the District's website or announcing the changes to the agenda at the beginning of the regular meeting.
- L. One or more Commissioners may attend a meeting by telephone or video-conferencing, using technologies such as Skype or WebEx, when a speaker phone or video screen is available at the official location of the meeting so the Board and the public can hear the Commissioner's input and the Commissioner can hear what is said at the meeting.
- M. If any Board meeting is cancelled, notice of the cancellation shall be promptly posted on the District's website unless the District does not have a website. Written notice of the cancelled meeting shall also be prominently displayed at the District's principal place of business, if any, and at the meeting site if the meeting is not held at the District's principal place of business. The written notice must be posted or displayed as soon as practicable after the decision is made to cancel the meeting.

- N. Any special or regular Board meeting may be adjourned to a time and place specified in the order of adjournment. The decision to adjourn a meeting shall be taken by action of the Board or, if a quorum of the Board is not present to take action, the decision to adjourn may be taken by a majority of those Commissioners who are present. Immediately after the decision to adjourn a meeting is taken, a written order or notice of adjournment, specifying the time and place of the meeting to be continued, shall be posted on the door of the location where the meeting was held.
- O. All actions of the Board shall be taken at a regular or special meeting. "Action" means the transaction of the District's official business by the Board including, but not limited to, the receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations and final actions.
- P. All final actions taken by the Board shall be by consensus, motion or resolution and shall be recorded in a book or books kept for that purpose. A "final action" means the transaction of the District's official business by the Board by a collective positive or negative decision or an actual vote by a majority of the Board sitting as a body, upon a motion, proposal or resolution.
- Q. Minutes of all regular and special meetings, except executive sessions, shall be promptly recorded and submitted to the Board for approval at its next regular meeting. Following their approval, minutes shall be open to public.
- R. The Board shall only take action in open public meetings and only at meetings for which proper notice has been given or meetings, the date of which has been fixed by law or rule. Any action taken at meetings that do not comply with the provisions of this section shall be null and void.
- S. The Board may hold an executive session during a regular or special meeting for the purposes permitted by RCW 42.30 and RCW 70.44. Before convening in executive session, the President shall publicly announce the purpose for excluding the public from the meeting place, and the approximate time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the President. An executive session may be held for one or more of the purposes permitted by RCW 42.30.110(1), RCW 70.44, or other applicable law:
- T. A majority of the persons holding the office of Commissioner shall constitute a quorum of the Board for the transaction of business, but no final action shall be taken without a majority vote or the collective decision of the whole Board. Participation by conference telephone or other similar communication or electronic equipment shall constitute presence at a Board meeting for the purpose of determining whether a quorum is present.

U. The Board may appoint committees as it may deem necessary or advisable in the conduct of its affairs. Committees established by the Board are advisory in nature and the Board may choose to adopt, modify or reject their recommendations. No more than two (2) Commissioners shall serve on any Board committee. At the pleasure of the Board, members of the community may be included on Board committees. The activities of Board committees shall be conducted lawfully and summaries, written or oral, of the committees' activities shall be provided to the Board at regular intervals.

V. The order of business at regular meetings shall be as follows:

1. Call to order
2. Announcement of any changes to the published agenda
3. Public comment period for a maximum of 10 minutes, with a maximum of 3 minutes per speaker
4. Approval of minutes from last regular meeting and any special meetings that have occurred since the last regular meeting.
5. Consent agenda for routine matters
6. Committee Reports
7. New Business
8. Public comment period for remainder of time; each speaker limited to 3 minutes at a time
9. Adjournment

W. The order of business at special meetings shall be as follows:

1. Call to order
2. Reading of Notice Calling the Meeting
3. Public comment period for a maximum of 15 minutes, with a maximum of 3 minutes per speaker
4. Consideration of items on the notice of special meeting
5. Public comment period for remainder of time; each speaker limited to 3 minutes at a time
6. Adjournment

X. In Consideration of all those presence, cellphones shall be turned off or placed on Do Not Disturb, except for emergency responders' communication devices.

Y. Each attendee desiring to give a comment shall start by stating their name for the record. Each person making a comment shall be succinct and take no more than 3 minutes for their comment. All public comments should be polite and civil and not include any personal attacks.

Z. No one shall interrupt a member of the audience while they are making their comments, except that the President or other person chairing the meeting may interrupt to tell them that their 3 minutes is up or to remind them that all comments must be polite, civil and not include any personal attacks.