

San Juan County Public Hospital District #1

RESOLUTION 07-307

A RESOLUTION OF SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 1,
ADOPTING AND APPROVING THE BYLAWS OF THE DISTRICT.

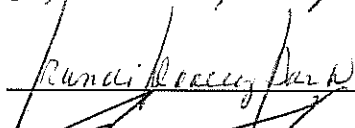
BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF SAN JUAN
COUNTY PUBLIC HOSPITAL DISTRICT NO. 1 THAT:

THE BYLAWS OF THE DISTRICT, A TRUE AND CORRECT
COPY OF WHICH ARE ATTACHED HERETO AS EXHIBIT 'A',
BE, AND HEREBY ARE, THE OFFICIAL BYLAWS OF THE
DISTRICT.

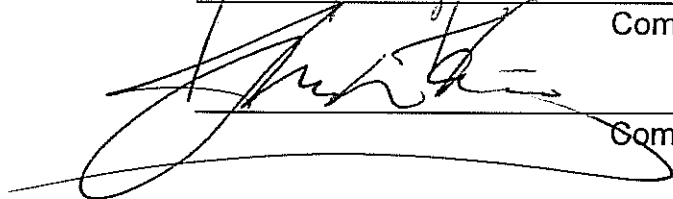
ADOPTED and APPROVED this 16 day of April, 2008.



Commissioner



Commissioner



Commissioner

Commissioner

Commissioner

SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 1
FRIDAY HARBOR, WASHINGTON

BYLAWS

ARTICLE I: Formation and Purpose

This public hospital district (the "District"), a municipal corporation, was created in 1989 to provide health service for the residents of the District and other persons. The activities of the District 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 in furtherance of the lawful purposes of the District which, by Chapter 84, Laws of 1982, were expanded to include the providing of other health care facilities and services appropriate to the needs of the population served.

ARTICLE II: Board of Commissioners

Section 1. Qualifications and Election:

No person shall be eligible to be elected to the office of public hospital district commissioner unless he/she is a registered voter within the boundaries of the District and within the commissioner district or at large district from which he/she is elected. All District commissioners shall be elected and serve, whether from a particular commissioner district or at large, in the manner and for the term prescribed by law.

Section 2. Organization and Officers of the Board of Commissioners:

The Board of Commissioners, sometimes herein referred to as "the Board" or "Commission" shall at its first regular meeting in each calendar year, organize by election from among its own members, a Chairperson and a Secretary. Such election shall be by a majority vote of the Commissioners in each case. The terms of both officers shall be for one year.

- 2.1 The Chairperson shall act as the presiding officer at meetings of the Board and shall execute on behalf of the District all contracts, agreements, and other documents and papers duly authorized by the Board that may require his signature, and shall sign the same.
- 2.2 The Secretary shall prepare, or cause to be prepared, minutes of all regular and special meetings of the Board, and shall keep them in a proper book for that purpose. The Secretary shall have charge of the official seal of the District and shall affix or cause to be affixed such seal to any documents requiring it, attesting to the same.

- 2.3 If a vacancy occurs in the office of either the Chairperson or the Secretary, an election of officers shall take place at the next regular meeting of the Board to fill the unexpired term created by the vacancy.
- 2.4 All members of 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.
- 2.5 A vacant commissioner position may be filled by the Board appointing a new member in the manner prescribed by law.

Section 3. Meetings of the Board or Commission:

- 3.1 Regular meetings of the Board shall be held monthly at a time and place as determined by resolution of the Board.
- 3.2 Special meetings may be called at any time by the Chairperson of the Board or by a majority of the members of the Board by delivering personally or by mail/e-mail, written notice to each member of the Board, and to each local newspaper of general circulation which has on file with the Board a written request to be notified of such special meeting, or of all special meetings. Such notice must be delivered personally or by mail/e-mail at least twenty-four hours before the time of such special meeting as specified in the notice. Notifications of special meetings may also be placed on the web page. The call and notice shall specify the time and place of the special meeting and the business to be transacted. Final disposition shall not be taken on any other matter at such meetings of the Board. Written notice may be dispensed with as to any commissioner who files with the Secretary written waiver of such notice, or who is actually present at the meeting at the time it convenes. The notices provided for herein otherwise may be dispensed with only in the event of a special meeting is called to deal with an emergency involving injury or damage to persons or property, or the immediate likelihood of such injury or damage, when time requirements of such notice would make notice impractical and increase the likelihood of injury or damage.
- 3.3 The measures outlined in 3.2 shall also apply to any meeting not held on the regularly scheduled day of the month.
- 3.4 The order of business at meetings of the Commission shall be as follows:
 - a. Regular meetings
 - i. Call to order
 - ii. Reading and approval of minutes of the last regular meeting and any intervening special meeting. Use of consent agenda is at the discretion of the Board.

- iii. Reports.
 - iv. Consideration of items on the agenda or other matters properly before the Board and action thereon.
 - v. Adjournment.
- b. Special meetings
- i. Call to order.
 - ii. Reading of the notice calling the meeting.
 - iii. Consideration of matters stated in the notice and action thereon.
 - iv. Adjournment.

Section 4: Action by the Board:

As used herein, "action" means the transaction of the official business of the District by the Board including, but not limited to, a collective decision made by a majority of the members of the Board, a collective commitment or promise by a majority of the members of the Board to make a positive or negative decision, or an actual vote by a majority of the members of the Board when sitting as a body or entity, upon a proposal, motion, or resolution.

All action taken by the Board shall be by motion or resolution, and recorded. Minutes of all regular and special meetings, except executive sessions thereof, shall be promptly recorded and shall be open to public inspection.

All meetings at which action is taken by the Board shall be open and public, and all persons shall be permitted to attend any meeting of the Board, except as otherwise provided in this section or by law. The Board shall never adopt any motion or resolution, except in a meeting open to the public, and then only at a regular meeting, duly convened at the prescribed time and place, or at a special meeting of which notice has been given according to the provisions of the foregoing section. Any action taken at meetings failing to comply with the provisions of this section shall be null and void.

Nothing in this section shall be construed to prevent the Board from holding executive sessions during a regular or special meeting to consider:

1. Advice of legal counsel concerning any matter subject to the attorney-client privilege, including, but not limited to, pending or threatened litigation;
2. Selection of a site or the purchase of real estate, when publicity regarding such consideration would cause a likelihood of increased price;
3. Disposition of real estate by lease or sale when publicity regarding such consideration would cause a likelihood of decreased price;
4. Negotiations on the performance of publicly bid contracts when publicity would cause a likelihood of increased costs;

5. The appointment, employment, or dismissal of an officer, employee, leased employee, or independent contractor of the District;
6. The granting, denial, reduction, termination, or suspension of clinical privileges, and medical staff membership of a physician. The Board may consider other health care providers as eligible for such privileges, if included in RCW 7.70.020, as now in effect or hereafter amended.
7. The hearing of complaints or charges brought against such an officer, employee, physician, or other health care provider, unless such person requests a public hearing;
8. Any other matter properly the subject of executive session under RCD 42.30.110, as now in effect or hereafter amended, or any other applicable law.

The board also may exclude from any public meeting or executive session, during the examination of a witness on any such matter, any or all other witnesses in the matter being investigated or under consideration. No action, as defined in this section, shall be taken in executive session.

Section 5. Quorum:

A majority of the persons holding the office of District Commissioner shall constitute a quorum of the Board for the transaction of business. No resolution shall be adopted without a majority of the whole Commission.

Section 6. Committees:

The Board may from time to time act as a committee of the whole, or appoint such other committees as it may deem necessary or advisable in the conduct of its affairs. The activities of any committees so appointed shall be conducted lawfully and be recorded in written minutes. Chairpersons of such committees shall be appointed by the Board to serve for terms not to exceed one year, subject both to removal at the will of the Board, and to reappointment in the sole discretion of the Board.

Section 7. Powers and Duties of the Board or Commission:

The Board shall be the governing body to which the superintendent (administrator) and other District employees ultimately are responsible for all activities in the District. While the authority of the Board may be delegated to the superintendent (administrator) as specified in Article III, Section 1, or by the resolution, any delegation of authority of the Board may be rescinded in its sole discretion.

All of the powers authorized in Chapter 70.44 RCW may be exercised by the Board in the performance of its duties prescribed therein. Among other things, the Board shall strive to:

1. Determine the policies and purposes of the District in proper relation to community needs;
2. Provide facilities, equipment, and personnel to meet the needs of patients within the purpose of the health care facilities as may be provided, and consistent with present and future community needs;
3. Assure that an appropriate standard of professional care is maintained and that any health care facility or personnel supported by the District be accountable to the Board;
4. Promote planning and coordinate professional interests with administrative, financial, and community needs, and the policies and purposes of the District;
5. 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;
6. Maintain accurate records of District finances and all related activities;
7. Exercise proper care and judgment in the selection of a qualified superintendent (administrator) who shall be responsible for implementing policies adopted by the Board.

Section 8. Avoidance of Conflicts of Interest:

District commissioners, being aware of the fiduciary nature of their positions, shall avoid actions and relationships which could result in a conflict between their private financial interests and their public responsibilities. Commissioners shall not violate the conflict-of-interest provisions of these Bylaws, Chapters 42.20 and 42.23 RCW, or any other applicable law.

Recognizing that even the appearance of impropriety should be avoided, no commissioner shall:

1. Be beneficially interested in or otherwise expect to profit from, directly or indirectly, any contract, sale, lease, or purchase made by the District, except as specifically permitted under RCW 42.23.030, as now in effect or hereafter amended, or under other applicable law;
2. Accept, directly or indirectly, any compensation, gratuity, favor, or award from any party seeking to do business with the District, or in connection with any contract made by the District, other than (a) compensation and reimbursement for

expenses as provided by law or (b) compensation in connection with contracts permitted under RCW 42.23.030, as now in effect or hereafter amended, or under other applicable law;

3. Employ, use, or appropriate any District employee, money, or property for his private benefit;
4. Hold any office, engage in any employment, or occupy any position, public or private, which could create conflicts between the duties, interests, and opportunities inherent in such office, employment, or position, and the commissioner's public responsibilities as a member of the Board;
5. Reveal or divulge to any other party, unless authorized by the Board, any confidential information received in the performance of his duties as a commissioner, nor use such information for personal gain.

Any commissioner, upon discovering or suspecting that he/she has, or may have a conflict of interest contrary to the policies and standards set forth in this section, shall promptly report the same to the Board.

ARTICLE III: Other Officers

Section 1. Superintendent (Administrator):

- 1.1 Appointment. The Board shall select and appoint as superintendent (administrator) a competent administrator who shall be its direct representative in the management of the District. The superintendent (administrator) 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 (administrator) shall be by resolution of the Board, introduced at a regular meeting and adopted at a subsequent regular meeting by majority vote.
- 1.2 Powers and Duties. The superintendent (administrator) shall be the chief executive and administrative officer of the District. In direct charge with full authority to act, as representative of the Board, and subject to its policies, he/she shall be responsible for the efficient administration of all affairs of the District.

In the performance of duties prescribed by law, all of which shall be faithfully discharged, and not by way of limitation of his/her authority, the superintendent (administrator) shall:

- i. Perfect and submit to the Board for approval a plan of organization for the personnel concerned with the operation of the District, to include an organizational chart, which shall be periodically reviewed;

- ii. Prepare annually a budget or budgets showing anticipated receipts and expenditures for the ensuing fiscal year which shall be submitted to the Board to allow timely filing and hearing thereon before adoption as required by law;
- iii. Select, employ, control, and discharge all employees authorized by the applicable budget;
- iv. Assure that all 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;
- vi. Supervise through the treasurer and auditor (chief financial officer or controller) all business affairs including the disbursement of funds, recording of financial transactions, collection of accounts, and purchase and issue of supplies;
- vii. Cooperate with the professional staff and secure like cooperation on the part of all those concerned with rendering professional services;
- viii. Submit regularly to the Board reports regarding the health care services and financial activities of the District along with any special reports that may be requested by the Board;
- ix. Be responsible for preparing an agenda and attend all meetings of the Board at which he/she may participate in the discussion of matters being considered;
- x. Execute on behalf of the District all contracts, agreements, and other documents and papers that he/she may be authorized by resolution of the Board to sign;
- xi. Undertake on his/her own initiative, the performance of such other duties, consistent with the law and the policies of the Board, as may be in the best interest of the District.

Section 2. Auditor (Chief Financial Officer or Controller):

The Board shall appoint as auditor of the District a person experienced in accounting and business practices.

The auditor shall report in the performance of his duties directly to the superintendent (administrator). The auditor shall draw, sign, and issue all warrants for the disbursement of funds of the District upon the orders of, or vouchers approved by, the Commission. He/she shall perform other such duties relating to business affairs of the District, including the recording of financial transactions, collection of accounts, and the routine purchase and issue of supplies, as are assigned by the superintendent (administrator).

Section 3. Treasurer:

The Treasurer of San Juan County, Washington, shall be treasurer of the District. The treasurer shall receive, deposit, and disburse all funds of the District in the manner provided by law under the supervision of the superintendent (administrator), and as directed by resolutions of the Board to the extent of its lawful discretion.

ARTICLE IV: Construction and Conventions

Section 1. Gender and Number:

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

Section 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 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 V: Amendment

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

ADOPTED this 16 day of April, 2008.