

**Amended and Restated
Governing Board Bylaws
Of PHD No. 2
Grays Harbor County, WA**

The following PHD #2 Amended and Restated Governing Bylaws are presented to the public for review.

These Bylaw revisions will be submitted to the District Board for consideration at the December 28, 2021 District Board meeting. This meeting will be conducted via Zoom starting at 1:00pm. The dial in information is listed below.

Please submit any comments regarding these changes in advance to creynolds@ghcares.org by 1:00pm Friday, December 24.

Instructions:

Dial In

+1 253 215 8782

+1 669 900 6833

+1 408 638 0968

Meeting ID: 879 3678 9365

Password: 835966

Please mute your phone

AMENDED AND RESTATED
GOVERNING BOARD BYLAWS
OF
PUBLIC HOSPITAL DISTRICT NO. 2
GRAYS HARBOR COUNTY, WASHINGTON
ADOPTED ~~JANUARY 26~~ DECEMBER 28, 2016 2021

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GOVERNING BOARD BYLAWS
OF
PUBLIC HOSPITAL DISTRICT NO. 2
GRAYS HARBOR COUNTY, WASHINGTON

ARTICLE I FORMATION AND PURPOSE

Public Hospital District No. 2, Grays Harbor County, Washington (the “District”), a municipal corporation, was created on August 19, 2014, to provide hospital and other health care services 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 or hereafter amended. These Bylaws are adopted in furtherance of the lawful purposes of the District including the providing of hospital and other health care services appropriate to the needs of the population served.

ARTICLE II BOARD OF COMMISSIONERS

Section 1. Qualification and Election. No person shall be eligible to be elected to the office of public hospital district commissioner unless he or she is a registered voter within the boundaries of the District and within the commissioner district or at large district from which he or she is elected. All District commissioners shall be elected and serve in the manner and for the term prescribed by law.

Section 2. Organization and Officers of the Board of Commissioners. The seven-member Board of Commissioners (the “Board” or the “Commission”) shall at its first regular meeting in each calendar year organize by the election from its own members of a President and Secretary, such election to be by a majority vote of the commissioners in each case. The terms of both officers shall be for one year.

2.1 President. The President 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 or her signature.

2.2 Secretary. The Secretary shall prepare, or cause to be prepared, minutes of all regular and special meetings of the Board, shall sign the same 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 the same. In the absence of the President, the Secretary shall preside at Board meetings.

2.3 Vacancy in Officer Position. If a vacancy occurs in the office of either the President 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 Vacancy in Commissioner Position. A vacancy in the office of commissioner shall occur as provided in chapter 42.12 RCW or by nonattendance at meetings of the commission for sixty days, unless excused by the commission. A vacant commissioner position may be filled by the Board appointing a new member in the manner prescribed by law. The Board may, at its election, appoint an ad hoc committee of the Board as authorized in Article II, Section 7, hereof consisting of up to three Board members to review applicants for the vacant commissioner position and make recommendations to the Board.

2.5 Oath of Office. 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.

Section 3. Meetings of the Board or Commission.

3.1 Regular Meetings. Regular meetings of the Board shall be held monthly. ~~In the months of January, March, May, July, September and November, the~~ The date and times for each regular meeting of the Board shall be held on the fourth Tuesday at 6:00 o'clock P.M. In the months of February, April, June, August, October and December, the regular meetings shall be held on the fourth Tuesday at 1:00 o'clock P.M. Regular meetings may be held on such additional days at such times as may be specified by resolution of the Board adopted from time to time. Unless otherwise specified in the agenda for the meeting, regular meetings of the Board shall be held at the principal location of the District. In the event a regular meeting falls on a holiday, such meeting shall be held on the next business day. An agenda for each regular meeting of the Board shall be made available online no later than twenty-four hours in advance of the published start time of the regular meeting. The District shall not be required to post an agenda if it does not have a web site or if it employs fewer than ten full-time equivalent employees. Nothing in this section prohibits subsequent modifications to agendas nor invalidates any otherwise legal action taken at a meeting where the agenda was not posted in accordance with this section.

3.2 Special Meetings

a. A special meeting may be called at any time by the presiding officer of the Board or by a majority of the members of the Board by delivering written notice personally, by mail, by fax, or by electronic mail to each member of the Board. Written notice shall be deemed waived in the following circumstances: (1) a commissioner submits a written waiver of notice to the secretary of the Board at or prior to the time the meeting convenes, which may be given by telegram, fax, or electronic mail; or (2) a commissioner is actually present at the time the meeting convenes.

b. Notice of a special meeting called under subsection (a) of this section shall be: (1) delivered to each local newspaper of general circulation and local radio or television station that has on file with the Board a written request to be notified of such special meeting or of all special meetings; (2) posted on the District's web site. The

District shall not be required to post a special meeting notice on its web site if it (i) does not have a web site; (ii) employs fewer than ten full-time equivalent employees; or (iii) does not employ personnel whose duty, as defined by a job description or existing contract, is to maintain or update the web site; and (3) prominently displayed at the main entrance of the District's principal location and the meeting site if it is not held at the District's principal location. Such notice must be delivered or posted, as applicable, at least twenty-four hours before the time of such meeting as specified in the notice.

c. The call and notices required under subsections (a) and (b) of this section 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 by the Board.

d. The notices provided in this section may be dispensed with in the event 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 time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage.

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 receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations, and final actions. "Final action" means a collective 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 motion, proposal or resolution.

All final action taken by the Board shall be by motion or resolution recorded in a book or books kept for such purposes. Minutes of all regular and special meetings, except executive sessions thereof, shall be promptly recorded, shall be submitted to the Board for its approval at its next regular meeting and, once approved by the Board, 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.

Section 5. Executive Sessions. Nothing in these Bylaws shall be construed to prevent the Board from holding executive sessions during a regular or special meeting:

- (i) To consider matters affecting national security.
- (ii) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.

(iii) To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public.

(iv) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs.

(v) To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge.

(vi) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by the Board of salaries, wages, and other conditions of employment to be generally applied within the District shall occur in a meeting open to the public, and when the Board elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public.

(vii) To evaluate the qualifications of a candidate for appointment to elective office. However, any interview of such candidate and final action appointing a candidate to elective office shall be in a meeting open to the public.

(viii) To discuss with legal counsel representing the District matters relating to agency enforcement actions, or to discuss with legal counsel representing the District litigation or potential litigation to which the District, the Board, or a member of the Board acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the District. This subsection (viii) does not permit the Board to hold an executive session solely because an attorney representing the District is present. For purposes of this subsection (viii), "potential litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a) concerning:

(A) Litigation that has been specifically threatened to which the District, the Board, or a member of the Board acting in an official capacity is, or is likely to become, a party;

(B) Litigation that the District reasonably believes may be commenced by or against the District agency, the Board, or a member of the Board acting in an official capacity; or

(C) Litigation or legal risks of a proposed action or current practice that the District has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the District;

(ix) To consider the granting, denial, reduction, termination or suspension of clinical privileges, or the medical staff membership of a physician or “other health care provider,” as that term is defined in RCW 7.70.020, as now in effect or hereafter amended, if other health care providers in the discretion of the Board are determined eligible to be considered for such privileges or membership.

Before convening in executive session, the presiding officer of the Board shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the presiding officer.

Section 6. Quorum. A majority of the persons holding the office of District commissioner shall constitute a quorum of the Board for the transaction of business, but no resolution shall be adopted or other final action taken without a majority vote of the whole Commission. Members of the Board may participate, including voting on action items, in a regular or special meeting of the Board by means of a conference telephone or other similar communications or electronic equipment by which all persons participating in the meeting, including members of the public attending the meeting, can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting for purposes of satisfying the quorum requirement.

Section 7. 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 or for other purposes it may specify. 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 8. Powers and Duties of the Board or Commission. The Board shall be the governing body of the District, and the superintendent appointed by the Board as specified in Article III, Section 1, shall be responsible to the Board for the efficient administration of all affairs of the District. While the authority of the Board may be delegated to the superintendent as specified in Article III, Section 1 and Article IV, respectively, or by resolution, any delegation of authority by the Board may be rescinded in its sole discretion. All of the powers authorized in Chapter 70.44 RCW or other applicable statute may be exercised by the Board in the performance of its duties prescribed therein. Among other things, the Board shall strive to:

(i) Determine the policies and the purposes of the District in proper relation to community needs;

(ii) Provide services, facilities, equipment and personnel to meet the needs of residents within the purposes of the District, and consistent with present and future community needs;

(iii) Assure that an appropriate standard of professional care is maintained with due regard for quality of care and effective quality assurance mechanisms, and assuring that personnel possess appropriate current qualifications, and determining in its discretion which kinds of programs shall be considered;

(iv) Promote planning and coordinate services with administrative, financial and community needs, the policies of the District, and the purposes of the District;

(v) 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;

(vi) Maintain accurate records of District finances and all related activities;

(vii) Exercise proper care and judgment in the selection of a qualified superintendent who shall be responsible for implementing policies adopted by the Board; and

(viii) Evaluate its own performance.

Section 9. 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 statute. Recognizing that even the appearance of impropriety should be avoided, no commissioner shall:

(i) 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;

(ii) 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;

(iii) Employ, use or appropriate any District employee, money or property for his private benefit;

(iv) 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;

(v) 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 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.

1.1 Appointment. The Board shall select and appoint as superintendent a competent and experienced chief executive officer 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 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 shall be the chief executive and administrative officer of the District. As representative of the Board, and subject to its policies, the superintendent shall be responsible for the efficient administration of all affairs of the District and shall be in direct charge with full authority to act. 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 authority, the superintendent shall:

(i) 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;

(ii) Select, employ, control and discharge all employees authorized by the applicable budget, assuring that they are competent to perform their duties and establishing appropriate quality assurance mechanisms;

(iii) Furnish periodic recommendations to the Board with respect to the acquisition, development and extension of desirable facilities, equipment and services;

(iv) Supervise through the treasurer and auditor all business affairs including the disbursement of funds, recording of financial transactions, collection of accounts and purchase and issue of supplies;

(v) Cooperate with staff and secure like cooperation on the part of all those concerned with rendering professional services;

(vi) Submit regularly to the Board reports regarding the services and financial activities of the District along with any special reports that may be requested by the Board;

(vii) Prepare agenda for and attend all meetings of the Board at which he or she may participate in the discussion of matters being considered;

(viii) Execute on behalf of the District all such contracts, agreements and other documents and papers as he or she may deem appropriate within the scope of his or her authority or be authorized by resolution of the Board to sign; and

(ix) Undertake on his or her own initiative the performance of such other duties, consistent with law and the policies of the Board, as may be in the best interest of the District.

Section 2. Auditor. The Board shall appoint as auditor of the District a person experienced in accounting and business practices. The person appointed may be a current employee of the District or an independent contractor. The auditor shall report in the performance of his or her duties directly to the superintendent. 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; and shall perform such other 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.

Section 3. Treasurer. The Commission by resolution, which may be adopted at any time, shall appoint and designate a person having experience in financial and fiscal matters as treasurer, subject to the requirement of an adequate bond with an authorized surety company. The person appointed may be a current employee of the District or an independent contractor. The treasurer shall receive, deposit and disburse all funds of the District in the manner provided by law under the supervision of the superintendent and as directed by resolutions of the Board to the extent of its lawful discretion.

ARTICLE IV INDEMNIFICATION AND INSURANCE

Section 1. Indemnification. The District shall indemnify and hold harmless to the full extent permitted by applicable law each person who was or 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, criminal, administrative or investigative by reason of the fact that he or she is or was a commissioner, officer, employee or agent of the District, or having been such a commissioner, officer, employee or agent, he or she is or was serving at the request of the District 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 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 such person in connection therewith. Such indemnification may continue as to a person who has ceased to be a commissioner, officer, employee or agent of the District and shall inure to the benefit of his or her heirs and personal representatives.

Section 2. Insurance. The District may purchase and maintain insurance, at its expense, to protect itself and any 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 full extent permitted by applicable law.

ARTICLE V CONSTRUCTION, INTERPRETATION AND CONVENTIONS

Section 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 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 VI REVIEW AND AMENDMENT

These Bylaws shall be reviewed by the Board on an annual basis at its regular meeting in December. These Bylaws may be amended at any time by resolution of the Board introduced at a regular or special meeting and adopted at a subsequent regular or special meeting.

ADOPTED this ~~26~~28th day of ~~January~~December, ~~2016~~2021.

Secretary and Commissioner