

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

