

ORCAS ISLAND HEALTH CARE DISTRICT POLICY # 1

Code of Ethics Policy

Section I. Introduction. This Code of Ethics Code (“Code”) has been adopted by the Board of Commissioners (the "Board") of the Orcas Island Health Care District (“District”) to promote honest and ethical conduct and compliance with applicable laws, rules and regulations by members of the Board (the “Commissioners”) and applies to each Commissioner.

Section 2. Code.

Section 2.1. Applicability. This Code is a general guide to the Board's standards of conduct and regulatory compliance. This Code is not intended to cover every issue or situation Commissioners may face and does not replace other more detailed policies and procedures adopted by the District, including but not limited to the District’s Bylaws and specific directives adopted from time to time by the Board.

Section 2.2. Expectation. Commissioners are expected to thoroughly read this Code and commit to uphold its requirements. Failure to read and/or acknowledge this Code does not exempt a Commissioner from his or her responsibility to comply with this Code, applicable laws, rules and regulations, and District policies and procedures.

Section 2.2. No Impairment. Nothing in this Code is intended to restrict a Commissioner from exercising his or her constitutional rights of free speech or to impair the ability of Commissioners to participate in ceremonial, representational or informational functions in the pursuit of their official duties.

Section 2.3. No Violation of Law. The Board does not intend to adopt any rule in this Code that violates existing law. If any provision of this Code is subsequently found to violate any applicable law, as a result of changes in the law or otherwise, that provision shall be construed in such a way as to eliminate the violation and, if no lawful construction of the provision is possible, the provision shall be void.

Section 2.4. Fundamental Responsibilities of Commissioners. The fundamental responsibility of each Commissioner is to promote the best interests of the public by overseeing the management of the District’s business and community operations. In doing so, each Commissioner shall act in accordance with this Code, the District’s other policies and procedures, and applicable laws, rules and regulations, including Washington state law and the District Bylaws. The Commissioners acknowledge that the purpose of Chapter 70.44 RCW, under which the District was formed, is to authorize the establishment of public hospital Districts to own and operate hospitals and other health care facilities and to provide hospital and other health care services for the residents of the District and other persons.

Section 2.5. Obligation to Act Ethically. In the performance of their official duties, Commissioners shall act ethically, in good faith, with integrity and care, and in a manner they reasonably believe to be in the best interests of the public served by the District. Commissioners

shall conduct their official and personal affairs in such a manner as to give the clear impression that they cannot be improperly influenced in the performance of their official duties

Section 2.6. Affirmative Obligations.

A. Commissioners, in discharging their official duties, shall use their best efforts to comply with all applicable laws, rules and regulations of federal, state and local governments and other regulatory agencies.

B. At the time of their election, a Commissioner shall disclose in writing to the Board all personal or professional relationships that create, or have the appearance of creating, a conflict of interest with the District. If any such a personal or professional relationship arises after a Commissioner is elected, the Commissioner shall promptly disclose that relationship in writing to the Board.

C. If Commissioners obtain confidential information by reason of their office, they will not disclose that confidential information to others unless authorized to do so by the Board. For purposes of this Code, "confidential information" means information that the Commissioners are required to treat as confidential under law (whether statutes, regulations, case law, District's Bylaws, or otherwise)

D. If Commissioners receive frequent inquiries from persons requesting the disclosure of confidential information, Commissioners shall bring that information to the attention of the other Commissioners, so the Board may determine if it wishes to adopt preventive measures to further protect the Board and District's legitimate interest in controlling access to its confidential information.

E. Commissioners shall comply with all of the District's policies and procedures, including those applicable to District employees, which are germane to their service as Commissioners.

F. Commissioners shall fully cooperate with government investigators as required by applicable law. If a Commissioner encounters an investigator, or receives a subpoena, search warrant or other similar document, related to an investigation of the District, the Commissioner shall promptly give notice of the investigation to the Board unless the giving of notice is prohibited by statute.

G. Commissioners are expected to prepare for, participate in, and attend all Board meetings unless their attendance has been excused by the Board, arriving on time and remaining until the meeting ends. Commissioners should commit the time necessary to review all Board materials prior to any meeting. The same level of participation is expected with respect to any Board committees on which the Commissioners serve.

H. Commissioners shall refrain from any illegal or unethical conduct, whether or not specifically identified in this Code.

Section 2.7 Prohibited Actions. Each Commissioner shall not, in discharging their official duties:

- A. Allow outside activities or personal financial or other interests to influence or appear to influence their ability to make objective decisions with respect to the District.
- B. Violate the District's Conflict of Interest Policy which is incorporated into the Code by reference.
- C. Simultaneously hold any other incompatible office or position, including, but not limited to, another office or position
 - i. whose functions are inconsistent with the functions of a Commissioner for the District, or
 - ii. where the occupation of such other office or position is detrimental to the public interest.
- D. Destroy or alter any information or documents in anticipation of, or in response to, a request for documents by any applicable governmental agency or from a court of competent jurisdiction.
- E. Disclose confidential information about the District or obtained from the District except as authorized by the Board or required by law.

Section 2.8. Referral of Administrative Matters to Superintendent. The Superintendent is, by statute, the District's chief administrative officer and is responsible for the administration of the District. Accordingly, if Commissioners receive questions or concerns from employees or the public concerning the District's operations, they shall promptly notify the Superintendent. Similarly, if third parties, such as third party payers, employee groups, or real estate developers communicate with Commissioners regarding existing or proposed business or other relationships with the District, such matters shall be referred promptly to the Superintendent for whatever action the Superintendent deems appropriate. The Superintendent shall be accountable to the full Board for follow-up on such items. Nothing in this section is intended to prohibit the Commissioner's from engaging in discussions with citizens about the District's operations.

Section 2.9. Conduct of Board Business. Commissioners are expected to engage in robust, active discussions of the issues submitted to the Board for consideration, in order to arrive at carefully considered decisions. With this in mind, Commissioners must study all relevant information (including materials in Board packages), articulate clearly their personal views, be prepared to argue for and support their positions, and, when appropriate, question and challenge the views of others. Such deliberations should be conducted in a respectful manner in line with customary standards of civility and decorum.

Section 2.10. Standards for Discussion. Commissioners, when discussing District business, whether at Board meetings or elsewhere, are urged to adhere to the following standards: Commissioners should:

- (i) be respectful of the views of other Commissioners and District executives, even if such views are contrary to the Commissioners' personal opinions;
- (ii) not divulge confidential information regarding the District's affairs;

- (iii) not purport to represent the views of the Board, unless authorized to do so by the Board; and
- (iv) not intentionally misrepresent, demean or belittle positions taken by other Commissioners or District executives and, where appropriate, take all reasonable steps to ensure that a balanced presentation of competing points of view is given so as to promote a common understanding of (rather than to foster a spirit of divisiveness with respect to) the issues before the Board and the various competing points of view taken by other Commissioners and District executives.

Section 2.11. Commissioners Running for Re-election. Commissioners are publicly-elected officials. As a consequence, if Commissioners choose to run for re-election, they will of necessity be involved in campaign-related activities during their service on the Board. Nothing in this Code is intended to deprive Commissioners of, or to inhibit their lawful exercise of, the right to engage in customary re-election activities, including but not limited to seeking and securing endorsements, soliciting campaign contributions, distributing voter pamphlets and other campaign related materials, or making public appearances. They may solicit financial or other support from the community at large, medical clinic employees, medical staff members, nurses, and others, provided that the support comes from such persons when acting in their personal capacities, and not as representatives or employees of the District. All such support must be voluntary and may not be given or received with the expectation or understanding that the contributing individual will receive any direct or indirect consideration, privilege or benefit from the District. Commissioners may not, claim, suggest or create the impression that their re-election is supported or endorsed by the District itself, nor may they use or gain access to the District financial resources to support their re-election campaign. They may however fully discharge their duties and responsibilities as Commissioners during the re-election campaign (as indeed they are obligated to do), and such activities are not wrongful.

Section 2.12. General Standards Of Conduct. Commissioners' compliance with the principles and practices of this Code will be subject to the following guidelines:

- A. Commissioners will not be considered in violation of the Code as long as they have acted in good faith and in a manner they believed to be consistent with their obligations under the Code.
- B. To the extent that Commissioners receive advice from the District's legal counsel, Commissioners may rely upon that advice in discharging their duties to the District. If Commissioners have in good faith relied upon legal counsel's advice in conducting the District's business, that reliance will constitute a defense to charges that actions based upon reliance on the advice of legal counsel violated the provisions of the Code.
- C. In the absence of evidence of bad faith, inadvertent violations of the Code that do not adversely affect the District in a material way and that do not create private benefits in favor of the Commissioner or related parties will not constitute grounds for disciplining a Commissioner.

Section 2.13. Enforcement of Code. The Board has the exclusive authority to enforce the Code and to take disciplinary action against Commissioners for violations. As provided in Section 2.14,

the Board may, under certain circumstances, enlist the support of others to assist with fact finding and to make recommendations.

A. While members of the public may give the Board notice of alleged violations of the Code, they may not, except as qualified below, bring legal actions against Commissioners for alleged violations, whether such actions seek specific performance, damages or other forms of judicial relief. The Commissioners are not liable to members of the public for damages resulting from Code violations.

B. If a Commissioner's misconduct constitutes official misconduct for which a member of the public may bring a legal action, separate from its violation of the Code, members of the public may pursue the matter in the same manner as they might otherwise have pursued the matters under then-existing law. The Code does not, and is not intended to create, a basis for the public to make claims or pursue remedies that are not otherwise available under existing law.

Section 2.14. Reporting Procedures and Process.

A. Any individual may advise the Board of an alleged violation of the Code by a Commissioner. If feasible, the notice should be given in writing and specify in reasonable detail the alleged misconduct.

B. The District will not take retribution or disciplinary action against any District employee who raises concerns or reports potential violations of the Code by a Commissioner, whether or not it is subsequently determined that there is a legal or factual basis to support such allegations. On the other hand, if members of the public allege official misconduct by Commissioners, and if it is determined that there is no factual or legal basis for the allegations, Commissioners may pursue such remedies as are available, at law or in equity, including but not limited to claims for libel or slander, against the parties wrongfully accusing the Commissioners of misconduct.

C. The Board shall review promptly, and in a prudent manner, allegations of Commissioner misconduct to determine whether there have been violations of the Code and what disciplinary action, if any, is appropriate. The processing of such allegations shall be under the direction of the Board's President, acting with the advice of counsel, and subject to the other guidelines provided for in this Section 2.14. If the Board's President is the subject of alleged misconduct, the responsibilities vested in the Board's President under the Code will pass to the next ranking officer (or, if none, the senior most member) of the Board who is not accused of the alleged Code violations.

D. The Board shall, from time to time, adopt procedures for investigating, handling, and resolving allegations of misconduct, subject to adopting reasonable procedures for:

- i. gathering information regarding the alleged misconduct, including but not limited to, accepting written submissions, hearing testimony, conducting hearings, undertaking fact finding, and soliciting information from experts;
- ii. the right of the accused to respond to the allegations and to be represented by counsel;
- iii. the screening out of frivolous complaints; and

- iv. the right of the public to observe such proceedings under the Open Public Meeting Act ("OPMA").

E. If the Board determines that a Commissioner has violated one or more of the provisions of the Code, the Board may give written or oral warnings, issue formal reprimands, or publicly censure the Commissioner for violating the Code. Such disciplinary action shall be recorded in the minutes of the Board's meetings and, as directed by the Board, be published in local newspapers, the District's communications with residents, or through other media. In those instances where the misconduct is of a serious nature, the Board may, after receiving legal advice from counsel, initiate legal action in a court of competent jurisdiction to remove the offending Commissioner from office.

F. Subject to the following guidelines, the Board may appoint one or more individuals to assist in fact-finding and/or make recommendations to the Board regarding allegations of Commissioner misconduct:

- i. It will be left to the discretion of the Board to determine if a panel should be convened and the scope of the responsibility to be given to the panel. The Board shall consider all facts and circumstances in making its determination, including the seriousness of the allegations, the history of the alleged misconduct – whether it is an isolated incident or a pattern of misconduct, the publicity surrounding the activities, the level of public interest, and whether and to what extent the public's interest might be advanced by enlisting the support of others outside of the Board. The Board's determination will be final and binding. Panels are not expected to be convened to handle frivolous complaints or allegations regarding inadvertent or minor violations of the Code.
- ii. If the Board elects to solicit outside support in processing allegations of Code violations, the Board's President, acting with the advice of legal counsel, shall appoint, on such basis as the Board's President deems appropriate, the individuals to serve on the advisory panel, who may be drawn from public officials or members of the local community within the District's boundaries. The panel's size will be determined by the Board's President.
- iii. The Board or, in the absence of specific direction from the Board, the Board's President will establish the specific fact-finding and advisory responsibilities of the panel.
- iv. If a panel is convened, the panel's activities will be subject to the public access requirements of the OPMA, to the extent required by the OPMA.
- v. The Board will, however, in all instances, retain ultimate decision-making regarding whether the alleged misconduct constitutes a violation of the Code and whether, and to what extent, to take disciplinary action against any Commissioner found to be in violation of the Code.

G. If the alleged misconduct constitutes a violation of law, separate and apart from a violation of the Code, that misconduct may be referred to the county prosecuting attorney for action.

Section 2.15. Waiver. If a Commissioner believes that it is inappropriate to apply any provisions of this Code to him or her, the Commissioner may submit to the Board a written request for a waiver from the provision(s). The written request must be accompanied by a statement setting forth the reasons why the waiver should be granted under the circumstances. The waiver shall be effective if approved by a majority of the Commissioners (excluding the requesting Commissioner) provided the waiver is supported by legal advice from the District's legal advisors.

Section 2.16. Review. The Board shall review this Code annually, no later than March 1 of each year, to ensure compliance with all applicable laws, rules and regulations, and to ensure that the Commissioners are held to the highest standards of conduct and ethics. During their review, the Board should discuss whether any amendments or revisions are necessary to improve the effectiveness of this Code.

Section 2.17. Amendments. The Board, by a majority vote of all Commissioners, may amend this Code from time to time, and any amendment must be disclosed as required by applicable laws, rules and regulations.

Section 2.18. Affirmation. Each Commissioner is responsible for reviewing, understanding, acknowledging and personally upholding this Code, and for familiarizing himself or herself with the applicable detailed elements of the District's Corporate Compliance Plan (if such a plan exists) and other policies and procedures. Each Commissioner shall certify that he or she has read, understood, is in compliance with, and is not aware of any violations of this Code:

- i upon the initial adoption of this Code;
- ii upon the adoption of any amendments to this Code;
- iii upon a Commissioner's election or re-election to office; and
- iv at the beginning of each fiscal year.

Each such certification shall be made by the execution of the Receipt and Acknowledgement attached as **Exhibit A**.

Policy adopted June 19, 2018

EXHIBIT A

ORCAS ISLAND HEALTH CARE DISTRICT

BOARD OF COMMISSIONERS ETHICS CODE

Receipt and Acknowledgement

I understand that each Commissioner is responsible for reviewing, understanding, acknowledging and personally upholding the Board of Commissioners Ethics Code (as amended from time to time, the "Code"), and for familiarizing himself or herself with the applicable detailed elements of other policies and procedures.

By executing this Receipt and Acknowledgement, I hereby acknowledge that:

1. I have received and read a copy of the Code;
2. I understand the contents of the Code;
3. I have familiarized myself with the applicable detailed elements of the Code and other policies and procedures pertaining to all Commissioners, and employees if any, of the Orcas Island Health Care District ("District");
4. I affirm my commitment to, and compliance with, the standards and procedures set forth in the Code; and
5. I am not aware of any violations of the Code involving myself that occurred since the later of (1) the adoption of the Code, (2) the last time I executed and delivered a Receipt and Acknowledgement, or (3) the beginning of the last fiscal year that have not otherwise been reported in accordance with the procedures set forth in the Code.
6. I acknowledge that my execution of this Receipt and Acknowledgement has been requested by the Board of Commissioners as a part of the District's ongoing program to ensure compliance with the terms of the Code, and that the District and the Board intend to rely upon the representations made in this Receipt and Acknowledgment.

Signature

Print Name

Date