

PUBLIC HOSPITAL DISTRICT NO. 4  
KING COUNTY

BYLAWS

Amended and Restated  
December 8, 2016

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## **ARTICLE I FORMATION AND PURPOSE**

King County Public Hospital District No. 4 (the "District"), a municipal corporation, was created in 1972 by a vote of the people to provide health care services for the residents of the District and others served by the District. 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 to further the lawful purposes of the District, which include providing quality hospital and other health care services appropriate to the needs of the population served, and to facilitate the governing of the District's hospital, clinics, and other District healthcare facilities which shall be operated in compliance with applicable laws and regulations. These Bylaws shall be reviewed by the Commissioners and the District's Executive Leadership Team at least once every two years and revised as appropriate. All revisions to these Bylaws must be approved and adopted by the Board of Commissioners in a public meeting.

## **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 residing within the boundaries of the District. All District 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" or the "Commission"), 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. See RCW 29A.04.133; see also RCW 70.44.040(2).

The District shall provide by resolution for the payment of compensation to each of its commissioners at a rate provided by law, not to exceed the statutory maximum. RCW 70.44.050.

Any Board Member may waive all or any portion of his or her compensation payable under this section (RCW 70.44.050) as to any month or months during his or her term of office, by a written waiver filed with the district as provided in this section. The waiver, to be effective, must be filed any time after the Board Member's election and prior to the date on which the compensation would otherwise be paid. The waiver shall specify the month or period of months for which it is made.

**Section 2. Organization and Officers of the Board of Commissioners.** The five-member Board of Commissioners (the "Board") shall, at its first regular meeting in each even-numbered calendar year elect from its members, a President, Vice President and Secretary, such election to be by a majority vote of the commissioners in each case. The terms of all officers shall be for two years. RCW 70.44.050.

**2.1 The President** shall act as the presiding officer at meetings of the Board.

- 2.2 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 or cause them to be kept in a proper book for that purpose. Such records shall be open to public inspection. In the absence of the President, the Vice President shall preside at Board meetings. RCW 42.32.030; RCW 70.44.050.
- 2.3 The Vice President** shall act in the absence of the President as the presiding officer at meetings of the Board and carry out all functions of the President in his or her absence.
- 2.4 Officer Vacancy.** If a vacancy occurs in the office of either the President, Secretary, or the Vice President, an election of officers shall take place at the next regular meeting of the Board to fill the unexpired term created by the vacancy.
- 2.5 Commissioner Vacancy.** A vacant commissioner position occurring for reasons prescribed in RCW 42.12.010 shall be filled by the Board appointing a new member in the manner prescribed by law. RCW 42.12; RCW 70.44.045.
- 2.6 Forfeiture.** A commissioner shall forfeit his or her office by non-attendance at meetings of the Commission for 60 days, unless excused by the Commission. RCW 70.44.045.
- 2.7 Removal from Board Officer Position.** Board Officers (President, Vice President and Secretary) may be removed from their Board Officer positions only upon majority vote of the entire Board, with the resolution for removal being introduced at a regular meeting of the Board and voted on at a subsequent regular meeting of the Board.

### **Section 3. Meetings of the Board of Commissioners**

- 3.1 All Meetings.** The District strives for transparency in all aspects of District operations and governance. Accordingly, all meetings of the Board 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 meeting of the Board of Commissioners, except as otherwise provided by law and as noted in Section 5. See RCW 42.30.030. In an effort to promote decorum and the efficient conduct of business, all meetings of the Board shall be conducted in accordance with Robert's Rules of Order. The President may enlist the assistance of a parliamentarian trained in Robert's Rules of Order to assist the President and the Commission regarding parliamentary procedure. The President shall maintain decorum during all meetings of the Board. All materials to be reviewed or acted upon by the Commission during a meeting shall be provided to each Commissioner at least one week prior to the scheduled meeting unless time constraints or other contingencies make this goal impractical. Meeting materials, such as agendas, resolutions and exhibits, shall be posted on the District's website at least one week prior to the scheduled meeting, unless time constraints or technical aspects (e.g. file size limitations) make this goal impracticable. The District shall provide copies of the

entire agenda packet to the public upon request one week prior to the scheduled meeting, unless time constraints or unforeseen circumstances make this goal impracticable.

In the event that any meeting is interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible, and order cannot be restored, the President may order the meeting room cleared and continue in session or may adjourn the meeting and reconvene at another location selected by majority vote of the Board. In such a session, final disposition may be taken only on matters appearing on the agenda. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the Board from establishing a procedure for readmitting an individual or individuals not responsible for disturbing the orderly conduct of the meeting. See RCW 42.30.050.

The Board has adopted Robert's Rules as the parliamentary authority for the conduct of its meetings. According to Robert's Rules of Order Newly Revised, 11th edition, minutes should contain a record of what was done at the meeting, not what was said. Minutes will contain a record of actions taken, and may include a summary of comments made by individuals. The names of people who offer public comment will be included. Any commissioner who votes against a decision made by the board may, within one (1) business day after the meeting during which the dissenting vote was taken, have their dissent and a brief statement of the reasons therefore included in the minutes upon request. Minutes of committee meetings may include relevant administrative details.

- 3.2 Regular Meetings.** In December of each year, the Board shall provide the dates for holding all regular meetings for the upcoming year by resolution. The dates, times and locations for all regular meetings of the Commission shall be posted on the District's website following the adoption of this resolution. Regular meetings of the Board are normally held on the second Thursday of each month at 6:30 p.m. at the Snoqualmie Valley Hospital and at such other locations as the Board may prescribe. Unless otherwise provided for by law, meetings of the Board need not be held within the boundaries of the District. If at any time any regular meeting falls on a holiday, such regular meeting shall be held on the next business day. See RCW 42.30.070.

For the purposes of this section "regular" meetings shall mean recurring meetings held in accordance with a periodic schedule declared by resolution of the Board from time to time.

- 3.3 Special Meetings.** A special meeting may be called at any time by the President of the Board, or by a majority of the members of the Board. Written notice of special meetings of the Board shall be delivered to each member of the governing body and to each local newspaper of general circulation and to each local radio or television station that has on file with the governing body a written request to be notified of such special meeting or of all special meetings. Written notice of all

special meetings shall also be posted on the District's website. Such notice must be delivered personally, by mail, or by e-mail at least forty-eight (48) hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. The Board shall not take final disposition on any other matter at such meetings. Such written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the Secretary a written waiver of notice. Such waiver may be given by letter, telegram, fax or electronic mail. Such written notice may also be dispensed with (i) as to any member who is actually present at the meeting at the time it convenes or (ii) as to any member who, prior to the time the meeting convenes, receives notice of the meeting by email and who has previously filed a written consent to receive meeting notices by email. RCW 42.30.080.

**3.4 Budget Hearing.** On or before the 15th day of November of each year, the Board shall hold a Public Hearing on the District's proposed budget for the following year at which hearing any taxpayer may appear and be heard regarding the whole or any part of the proposed budget. All documents in support of budget proposals, including the proposed budget document, shall be provided to all Board members at least ten (10) days prior to any Board meeting to approve the District's annual operating budget. The Board shall hold a work session on the proposed budget at least twenty-one (21) days prior to the adoption of the District's annual budget. Upon conclusion of the hearing, the Commission shall, by resolution, adopt the budget.

**3.5 Work Study Sessions.** The Board shall normally hold monthly work study sessions on the fourth Thursday of each month at 6:00 p.m. at the Snoqualmie Valley Hospital. Board work study sessions are public meetings and will be conducted in accordance with the Open Public Meetings Act.

**3.6 Emergency Meetings.** If, by reason of fire, flood, earthquake, or other natural or man-made emergency, there is a need for expedited action by the Board 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 such emergency. RCW 42.30.070. The meeting notices required by these Bylaws and Chapter 42.30 RCW 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. RCW 42.30.080.

**3.7 The Order of Business.** As an illustration, meetings of the Commission may follow the general format set forth below:

- a. **Regular Meetings**
  - Call to Order
  - Roll Call

- Flag Salute
- Public Comment
- Approval of Agenda
- Approval of minutes of the last regular meeting and any intervening special meetings
- Commissioner and/or Board Committee Reports
- Approval of warrants and transmittals from the previous month
- Old Business
- New Business
- Reports (Clinics, Legal, Quality, Foundation, Compliance, Human Relations, etc.)
- Public Comment
- Action Items (motions, resolutions, etc.)
- Other
- Next meeting dates and times
- Adjournment

b. **Special Meetings**

- Call to Order
- Reading of the Notice of Special Meeting
- Public Comment
- Consideration of matters stated in the Notice and Action thereon
- 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, the receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations and final actions. As used herein, "final action" means the transaction of the official business of the District by the Board including, but not limited to, a collective positive or negative decision, or an actual vote by a majority of the members of the Board sitting as a body or entity, upon a motion or resolution. RCW 42.30.020(3). All proceedings of the Board shall be by motion or resolution recorded in a book or books kept for such purposes. RCW 70.44.050. Minutes of all regular and special meetings, except executive sessions thereof, shall be promptly recorded and shall be open to public inspection after the minutes have been adopted and approved by the Commission in an open meeting. RCW 42.32.030.

The Board shall not adopt any motion, resolution, rule, regulation, or directive, except in a meeting open to the public and then only at a meeting, the date of which is fixed by law or rule, or at a meeting of which notice has been given.

Any action taken at meetings failing to comply with the provisions of this section shall be null and void. RCW 42.30.060(1). The Board shall not vote by secret ballot. Any vote taken in violation of this section shall be null and void and shall be considered an "action" within the meaning of this section and the Open Public Meetings Act, Chapter 42.30 RCW. RCW 42.30.060(2).

It shall not be a violation of the requirements of the Open Public Meetings Act, Chapter 42.30 RCW, or these Bylaws for a majority of the members of the Board to travel together or gather for purposes other than a "regular meeting" or a "special meeting" as these terms are defined in the Open Public Meetings Act, Chapter 42.30 RCW, and these Bylaws; provided, that they take no "action" as defined in this section, in the Open Public Meetings Act, Chapter 42.30 RCW, and these Bylaws. RCW 42.30.070.

**Section 5. Executive Sessions.** Nothing contained in these Bylaws may be construed to prevent the Board from holding an executive session during a regular or special meeting for the purposes permitted by RCW 42.30 and RCW 70.44. RCW 42.30.110(1).

Before convening in executive session, the President of the Board 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 of the Board. RCW 42.30.110(2).

An executive session may be held for one or more of the purposes identified below or as otherwise permitted by RCW 42.30.110(1), RCW 70.44, or other applicable law:

- a. To consider matters affecting national security;
- b. 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;
- c. 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;
- d. To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs;
- e. 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;
- f. To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. Strategic union discussions may be held in Executive Session; however, subject to RCW 42.30.140(4), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body 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;



- g. 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;
- h. To discuss with legal counsel representing the District litigation or potential litigation to which the District, the Board, or a member 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; provided, however, this exception does not permit the Board to hold an executive session solely because an attorney representing the District is present. For purposes of this exception, "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 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, the Board, or a member 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; and
- i. To conduct meetings, proceedings, and deliberations of the Board, its staff or agents, concerning the granting, denial, revocation, restriction, or other consideration of the status of the clinical or staff privileges of a physician or other health care provider as that term is defined in RCW 7.70.020, if such other providers at the discretion of the Board are considered for such privileges provided that the final action of the Board as to the denial, revocation, or restriction of clinical or staff privileges of a physician or other health care provider as defined in RCW 7.70.020 shall be done in public session. RCW 42.30.110; RCW 70.44.062.
- j. All meetings, proceedings, and deliberations of a quality improvement committee established under RCW 4.24.250, 43.70.510, or 70.41.200 and all meetings, proceedings, and deliberations of the board of commissioners, its staff or agents to review the report of the activities of a quality improvement committee established under RCW 4.24.250, 43.70.510, or 70.41.200 may, at the discretion of the quality improvement committee of the board of commissioners, be confidential and may be conducted in executive session. Any review conducted by the board of commissioners or quality improvement committee, or their staffs or agents, shall be subject to the same protections, limitations, and exemptions that apply to quality improvement committee activities under RCW 4.24.240, 4.24.250, 43.70.510, and 70.41.200; however, any final action of the board of commissioners on the report of the quality improvement committee shall be taken in public session. RCW 70.44.062(2).

**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 without a majority vote of the whole Board of Commissioners. RCW 70.44.050.

**Section 7. Board Committees and Representatives.** 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. Committees so established by the Board and provided for in these Bylaws are advisory committees only. Board committees shall have no authority to make decisions or to take final action on any matter as that term is defined in RCW 42.30.020(3). The Board may from time to time choose to change the Board committees established herein as needed. The activities of any committees so established shall be conducted lawfully and be recorded in written minutes, which shall be made available to the public after the minutes have been adopted and approved by the committee in question. Chairpersons of such committees shall be appointed by the President to serve for terms not to exceed two years, subject both to removal at the will of the Board and to reappointment in the sole discretion of the Board. Committees of the Board shall meet periodically as provided in these Bylaws or as provided by resolution of the Board.

**7.1 Board Committees.** The designation, membership and meeting schedule of the standing committees of the Board shall be as follows:

**Finance Committee:** The Board may decide to hold open and public Finance Committee meetings at the sole discretion of the Board. If the Board determines to hold open Finance Committee meetings, the committee meeting time and location shall be noticed as a special meeting in accordance with Washington’s Open Public Meetings Act. RCW 42.30.080. The Finance Committee Chair, in his or her discretion, and based on time permitting, may allow for public comment during open Finance Committee meetings. The membership of the Finance Committee shall be as follows: Two commissioners; Chief Executive Officer (CEO); Chief Operating Officer (COO), Chief Financial Officer (CFO); Vice President of Medical Affairs (VPMA), General Counsel, Controller, a member of the public appointed to the Finance Committee by the Commission, and such other members as the Board deems appropriate. The Finance Committee shall meet monthly and as needed. The Finance Committee is responsible for advising the full Commission on the following items:

- Reviewing the format of financial material presented to the Board to maximize clarity;
- Reviewing Hospital and District policies relative to bad debt and charity care;
- Reviewing pertinent Department of Health, DSHS, Centers for Medicare and Medicaid Services (“CMS”), and other insurance industry issues as they relate to the Hospital District;
- Reviewing proposed budget capital requests;
- Considering other financial matters as deemed appropriate;
- Regular review of significant financial ratios and trends;
- Reviewing annual Hospital District budgets;
- Reporting and making recommendations to the full Board regarding any matters for Board consideration.

**Medical Committee:** The Medical Committee shall not be open to the public. The membership of the Medical Committee shall be as follows: Two Commissioners,

CEO, COO, VPMA, CFO, and General Counsel and such other staff members as the committee deems appropriate. The Medical Committee shall meet monthly and as needed. The Medical Committee is responsible for reviewing all relevant policies regarding the medical staff and to advise and make recommendations to the Board as to the organization and structure of the medical staff and ongoing activities of the District.

**Facilities Committee:** The Board may decide to hold open and public Facilities Committee meetings at the sole discretion of the Commission. The Facilities Committee Chair, in his or her discretion, may allow for public comment during open Facilities Committee meetings. If the Commission determines to hold open Facilities Committee meetings, the committee meeting time and location will be noticed as a special meeting in accordance with Washington's Open Public Meetings Act. RCW 42.30.080. The membership of the Facilities Committee shall be as follows: Two commissioners; CEO; COO, CFO, VPMA, General Counsel, Facilities Director and such other members as the Board deems appropriate. The Facilities Committee shall meet monthly and as needed. The Facilities Committee is responsible for advising the full Commission as to the following items:

- Reviewing and monitoring the effectiveness of the Hospital's capital facilities initiatives and plans;
- Evaluating capital needs and development and evaluation of alternatives for meeting those needs, and making recommendations to the Board with respect thereto;
- Designating appropriate data to be collected and analyzed for facilities planning decisions of the Board;
- Reporting to the full Board any matters for Board consideration;
- Other capital planning matters as deemed appropriate.

**Section 8. Powers and Duties of the Board or Commission.** The Board is responsible for overseeing the District's general policies and organization with respect to the operation of the District, including the delivery of quality patient care. In fulfilling this responsibility, the Board's role is to adopt the necessary general policies to achieve these ends and to delegate the day-to-day operations of the District to the Superintendent. The Board shall be the governing body to which the superintendent (also referred to as the Chief Executive Officer or CEO), other District employees and the medical staff ultimately are responsible to for all facilities, services and activities of the District, including the condition of the physical plant. In carrying out its duties, the Board shall be guided by the responsibilities and obligations of healthcare governing authorities codified at WAC 246-320-131.

All of the powers authorized in Chapter 70.44, as amended from time to time, may be exercised consistent with this enabling authority by the Board in the performance of its duties prescribed therein. Among other things, the Board shall strive to:

- (i) Adopt and review Bylaws, at least once every two years, that address legal accountabilities and responsibilities;

- (ii) Determine the policies of the District and the purposes of the Hospital and other District health care facilities and services in proper relation to community needs;
- (iii) Establish a program for the ongoing management of a Quality Improvement program and malpractice prevention program, including medical staff sanction and grievance procedures and information collection and reporting procedures. The Quality Improvement program will review the services rendered in the hospital and other District health care facilities and services in order to improve the quality of medical care of patients and to prevent medical malpractice; RCW 70.41.200; WAC 246-320-131;
- (iv) Exercise proper care and judgment in the selection of a qualified CEO who shall be responsible for implementing policies adopted by the Board;
- (v) Promote planning and coordinate professional interests with administrative, financial, and community needs, the policies of the District, and the purposes of the Hospital and other District health care facilities and services;
- (vi) Provide for the annual evaluation of the CEO;
- (vii) Provide for the annual evaluation of the Board and its members;
- (viii) Provide facilities, equipment, and personnel to meet the needs of patients within the purposes of the Hospital and other District health care facilities and services and consistent with present and future community needs;
- (ix) Establish and appoint a medical staff;
- (x) To assure that an appropriate standard of professional care is maintained, the medical staff of the Hospital shall be accountable to the Board.
- (xi) Assure that the medical staff possess appropriate current qualifications, and determine in its discretion which kinds of health care providers shall be considered for clinical privileges or medical staff membership;
- (xii) Approve Medical Staff Bylaws, rules, and regulations as adopted by the medical staff before they become effective;
- (xiii) Provide for the sound administration and application of public funds, adopting annual budgets for the District and the Hospital at the times and in the manner required by law;
- (xiv) Maintain accurate records of District finances and all related activities;

- (xv) Approve the District's Compliance Program and monitor the activity, status and resolution of compliance issues as reported by the Compliance Committee. Such reporting will be made to the Board by the Compliance Officer no less frequently than quarterly;

**Section 9. Avoidance of Conflicts of Interest.** Commissioners, being aware of the fiduciary nature of their positions, shall avoid actions and relationships that 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, Chapter 42.20 RCW and Chapter 42.23.030 RCW. It shall be the duty of each Board Member and staff member to make a timely disclosure to the Superintendent and/or the Board President about any known or suspected conflicts of interest as defined by this section.

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 or RCW 42.23.040, 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/her 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. In such cases, a Commissioner shall take such action as may be required to comply with the provisions of these Bylaws and applicable law, including, if required, abstain from discussing and voting on the matter.

### ARTICLE III OTHER OFFICERS

#### Section 1. Chief Executive Officer (“CEO” or “Superintendent”).

**1.1 Appointment.** The Board shall select and appoint as Superintendent/CEO (hereinafter “CEO”) a competent and experienced hospital administrator who shall be its direct representative in the management of the Hospital and the District. The CEO 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 CEO shall be by resolution of the Board, introduced at a regular meeting and adopted at a subsequent regular meeting by majority vote. RCW 70.44.070.

**1.2 Powers and Duties.** The CEO shall be the chief executive and administrative officer of the Hospital and of the District. 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 affairs of the Hospital and the District. RCW 70.44.080.

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 CEO shall:

- (i) Carry out the policies and orders of the Board as a whole and see that all the laws of the state pertaining to matters within the functions of the District are duly enforced;
- (ii) Perfect and submit to the Board for approval a plan of organization for the personnel concerned with the operation of the Hospital and the District and make available to the Board and the public an organization chart updated annually and meeting professional standards of completeness and form;
- (iii) 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;
- (iv) Prepare annually a capital budget or budgets showing anticipated expenditures for the ensuing fiscal year;
- (v) Select, employ, direct, and discharge all other employees;
- (vi) Ensure that all building, equipment, and other facilities are maintained in good repair;
- (vii) Furnish periodic recommendations to the Board with respect to the acquisition, development, and extension of desirable health care facilities, equipment, and services, including estimates for the above;

- (viii) Supervise all business affairs, including the disbursement of funds, recording of financial transactions, collection of accounts, and purchase and issue of supplies;
- (ix) Certify to the Board all the bills, allowances and payrolls, including claims due contractors;
- (x) Recommend to the Board a range of salaries to be paid to district employees including recommended cost of living increases, if any, including documentation and data in support thereof;
- (xi) Cooperate with the medical staff and secure like cooperation on the part of all those concerned with rendering professional services;
- (xii) Submit regularly to the Board reports regarding the health care services and financial activities of the Hospital and the District along with any special reports that may be requested by the Board;
- (xiii) Prepare the agenda for and attend all meetings of the Board (in consultation with the Board President and taking into consideration suggestions by individual commissioners and staff), at which the CEO may participate in the discussion of matters being considered;
- (xiv) Execute on behalf of the District all contracts, agreements, and other documents up to the monetary limit of CEO discretionary authority as delegated to the CEO by the Board, and papers in order of normal course of business. Other contracts may be authorized by resolution of the Board to sign;
- (xvi) Undertake on the CEO's 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 Hospital and the District;
- (xvii) And any other assignments as directed by the Board as a whole. RCW 70.44.090.

**Section 2. Treasurer.** The Board shall appoint a person having experience in financial or fiscal matters as the treasurer for the District.

The Board shall require the treasurer to obtain a surety bond, with a surety company authorized to do business in the state of Washington, in an amount under the terms and conditions which the Board by resolution from time to time finds will protect the District against loss. The premium on any such bond shall be paid by the District.

The treasurer shall establish public hospital district funds, into which shall be paid all district funds, and the treasurer shall maintain such special funds as may be created by the Commission, into which the treasurer shall place all money as the commission may, by

resolution, direct. All funds shall be deposited in such bank or banks authorized to do business in this state, as the Commission by resolution shall designate. All District funds shall be disbursed only on warrants issued by the District's Chief Financial Officer, upon orders or vouchers approved by the Commission. All invested funds of the District shall be invested in eligible investments specified in RCW 39.59.020, RCW 39.59.030, RCW 43.84.080 and 43.250.040. All interest collected on District funds shall belong to the District and be deposited to its credit in the proper District funds. RCW 70.44.171.

**Section 3. Chief Financial Officer.** The CEO, shall appoint as Chief Financial Officer ("CFO") of the District a person experienced in accounting and business practices. The CFO shall report in the performance of his or her duties directly to the Superintendent/CEO. The CFO shall be responsible for preparing the District's annual budget, drawing and issuing all warrants for the disbursement of funds of the District upon the orders of, or vouchers approved by the Commission; and shall be responsible in the performance of such other duties relating to business affairs of the District including the recording of financial transactions, collection of accounts, coordinating with the District's outside auditing firm regarding the District's annual independent audits, coordinating with the State Auditor's Office regarding the District's annual state audit, and the routine purchase and issue of supplies, as are assigned by the Superintendent/CEO. RCW 70.44.171.

**Section 4. General Counsel.** The CEO shall appoint as General Counsel of the District a person licensed to practice law in the State of Washington and in good standing with the Washington State Bar Association who is experienced in health law and regulatory compliance matters. The General Counsel shall report directly to the Superintendent/CEO. The District's General Counsel shall be responsible for overseeing all legal matters of the District, including providing legal advice to the CEO and to the Board; providing legal advice and guidance to the District regarding health care regulatory compliance and risk management issues; providing legal advice and assistance regarding labor law and personnel issues; negotiating and drafting real estate contracts and overseeing all land use matters; providing legal advice regarding corporate governance and municipal law; ensuring the District's compliance with the Open Public Meetings Act and the Public Records Act and all laws and policies relating to municipal operations; managing outside counsel and vendors regarding bond issuances and any mergers or acquisitions; providing oversight and management of outside counsel and performing litigation management; drafting and negotiating contracts with personnel, vendors, consultants and others; working with the CFO to ensure appropriate insurance coverage and risk mitigation analysis; ensuring compliance with all local, state and federal laws and regulations pertaining to the health care industry, and such other matters as may arise or be assigned by the CEO and the Board.

#### **ARTICLE IV MEDICAL STAFF**

**Section 1. Appointment and Organization.** The Board shall appoint the members of the medical staff of the Hospital on a monthly basis after considering recommendations duly submitted in accordance with the Medical Staff Bylaws, provided that all initial appointments shall be provisional and that all appointments to the provisional medical staff shall be for a period of six (6) months. Such bylaws, rules and regulations governing the appointment, organization, liability insurance coverage and activities of the medical staff, including procedures for the granting,



denial, reduction, or termination of staff privileges and the identification of the kinds of health care providers eligible to be considered for such privileges or medical staff membership, shall be subject to approval and revision or modification by the Board. The Board shall assure that the requirements of due process of law are observed. RCW 70.43.010; WAC 246-320-161.

**Section 2. Powers and Duties.** Mindful that each person admitted to the Hospital shall be under the care of a member of the medical staff possessing clinical privileges, such staff also shall have authority and responsibility in the manner prescribed by its bylaws, rules and regulations to:

- (i) Evaluate the professional competence of medical staff members and applications for clinical privileges;
- (ii) Make recommendations to the Board concerning initial medical staff appointments, reappointments, and the granting, denial, reduction, or termination of clinical privileges;
- (iii) Establish procedures designed to promote the achievement and maintenance of an appropriate standard of ethical and professional practice, and the efficient use of District resources;
- (iv) Participate in and offer recommendations in the development of policies relative to the effective use of existing facilities, and provision for the improvement or extension thereof where appropriate, to assure adequate patient care, responsive to the needs of the population served now and in the future;
- (v) Supervise a medical education program in the Hospital and render such other services as the Board may consider desirable to enhance the standards of medical practice in the Hospital;
- (vi) Be accountable to the Board for the proper discharge of the duties set forth in this section.

**Section 3. Professional Liability Insurance Coverage.** All practitioners who are granted medical staff privileges to practice within the District shall maintain liability insurance with limits of one million dollars per occurrence and three million dollars annual aggregate. Proof of coverage shall be the responsibility of the practitioner. The practitioner shall give the Hospital thirty (30) days prior written notice of cancellation or termination of any such policy. The practitioner's insurance company must be acceptable to the District and licensed to write malpractice insurance in the State of Washington. These policy limits will be reviewed by the Board annually and revised as appropriate.

## **ARTICLE V HOSPITAL FOUNDATION**

**Section 1. Independent Organization.** The Hospital Foundation is an organization which is separate and independent of the District. The Hospital Foundation shall function under Hospital Foundation Bylaws, which shall be developed and adopted by the Hospital Foundation, subject to the approval of the Hospital Foundation Board. The District may from time to time assign a District employee to serve as Executive Director of the Hospital Foundation and to apportion a part of such employee's time and efforts to Hospital Foundation activities. The services rendered by the Hospital Foundation shall include patient related services, fund raising projects and other projects as may benefit the District. A representative from the Foundation is encouraged to attend monthly Board meetings, and to report on Hospital Foundation activities annually.

**Section 2. Powers and Duties.** The Hospital Foundation shall have the right to:

- 2.1 Establish membership, as defined in the Hospital Foundation Bylaws;
- 2.2 Establish dues, as defined in the Hospital Foundation Bylaws;
- 2.3 Use District facilities in which to hold meetings and events;
- 2.4 Disburse proceeds from Hospital Foundation activities in such manner as to be beneficial to the District and agreeable to both the District and the members of the Hospital Foundation Board of Directors.

## **ARTICLE VI 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, 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 VII ANTI-RETALIATION POLICY**

**Section 1. Whistleblower Protection.** The District requires all board members, officers, directors, employees, independent contractors, vendors and volunteers to observe high standards of business and professional ethics in the conduct of their duties and responsibilities. As employees and representatives of the District, each individual in this organization is obligated to comply with all applicable laws, regulations and policies in the fulfillment of the District's mission. The District has policies in place to encourage and enable employees and others to raise any concerns regarding the District's business practices, suspected allegations of fraud or waste, or violations of any law or regulation governing the District's practices. It is the responsibility of all board members, officers, directors, employees and volunteers to report concerns regarding suspected violations of law or regulations that govern District's operations. It is contrary to the values of the District for anyone to retaliate against any board member, officer, employee, independent contractor, vendor or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, suspected fraud, or suspected violation of any regulation governing the operations of the District. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

## **ARTICLE VIII CONSTRUCTION AND CONVENTIONS**

**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.

**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.

**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.

**Public Disclosure Costs.** The District may require that ten percent (10%) of the costs associated with producing records pursuant to Washington's Public Records Act be paid prior to the distribution of records in full compliance with all public disclosure laws.

**ARTICLE IX  
AMENDMENT**

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

REVISED and ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Dariel Norris, President and Commissioner

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Joan Young, Vice President and Commissioner

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David Speikers, Secretary and Commissioner

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Emma Herron, Commissioner

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Gene Pollard, Commissioner