

THIRD AMENDED AND RESTATED  
GOVERNING BOARD BYLAWS  
OF  
PUBLIC HOSPITAL DISTRICT NO. 1  
SKAGIT COUNTY, WASHINGTON  
Doing business as SKAGIT REGIONAL HEALTH  
ADOPTED JANUARY 26, 2018

## TABLE OF CONTENTS

		Page
ARTICLE I	FORMATION AND PURPOSE.....	1
ARTICLE II	BOARD OF COMMISSIONERS .....	1
Section 1.	Organization and Election/Appointment of the Board of Commissioners.....	1
Section 2.	Qualification of Commissioners .....	1
Section 3.	Oath of Office .....	1
Section 4.	Vacancy in Commissioner Position.....	1
Section 5.	Commissioner Compensation .....	1
Section 6.	Officers of the Board of Commissioners .....	1
Section 7.	Meetings of the Board or Commission .....	2
Section 8.	Action by the Board.....	3
Section 9.	Executive Sessions.....	3
Section 10.	Quorum .....	4
Section 11.	Committees .....	4
Section 12.	Powers and Duties of the Board.....	4
Section 13.	Avoidance of Conflicts of Interest; Conflict of Interest Policy .....	5
ARTICLE III	OTHER OFFICERS.....	5
Section 1.	Superintendent .....	5
Section 2.	Auditor .....	7
Section 3.	Treasurer .....	7
ARTICLE IV	MEDICAL STAFF .....	7
Section 1.	Appointment and Organization.....	7
Section 2.	Powers and Duties.....	7
ARTICLE V	INDEMNIFICATION AND INSURANCE.....	8
Section 1.	Indemnification.....	8
Section 2.	Insurance .....	8
Section 3.	Indemnification/Defense Policy.....	8
ARTICLE VI	CONSTRUCTION, INTERPRETATION AND CONVENTIONS.....	9
Section 1.	Gender and Number.....	9
Section 2.	Titles, Headings and Captions .....	9
Section 3.	References to Revised Code of Washington.....	9
Section 4.	Severability .....	9
ARTICLE VII	REVIEW AND AMENDMENT .....	9

THIRD AMENDED AND RESTATED  
GOVERNING BOARD BYLAWS  
OF  
PUBLIC HOSPITAL DISTRICT NO. 1  
SKAGIT COUNTY, WASHINGTON  
Doing business as SKAGIT REGIONAL HEALTH

ARTICLE I      FORMATION AND PURPOSE

Public Hospital District No. 1, Skagit County, Washington (the "District"), a municipal corporation, was created to provide hospital and other health care services for the residents of the District and other persons. The District currently operates under the trade name "Skagit Regional Health." 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. 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.      Organization and Election/Appointment of the Board of Commissioners. The Board of Commissioners of the District (the "Board" or the "Commission") shall be composed of seven members ("Commissioners"). All Commissioners shall be elected or appointed and serve in the manner and for the term prescribed by law.

Section 2.      Qualification of Commissioners. No person shall be eligible to be elected or appointed to the office of Commissioner unless he or she is a registered voter within the boundaries of the District and within the Commissioner district, if any, or at large district from which he or she is elected.

Section 3.      Oath of Office. All Commissioners, 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 4.      Vacancy in Commissioner Position. A vacant Commissioner position may be filled by the Board appointing a new member in the manner prescribed by law.

Section 5.      Commissioner Compensation. Each Commissioner shall receive such compensation as authorized by RCW 70.44.050. Any Commissioner may waive all or any portion of his or her compensation payable under 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 RCW 70.44.050. The waiver, to be effective, must be filed any time after the Commissioner'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 6.      Officers of the Board of Commissioners. The Board shall at its regular meeting in March in each calendar year elect one of its members as President of the Board and one of its members as Secretary of the Board, such election to be by a majority vote of the

commissioners in each case. The Board President and the Board Secretary shall each serve until their respective successors have been elected.

6.1 Board President. The Board 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.

6.2 Board Secretary. The Board 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 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.

6.3 Vacancy in Officer Position. If a vacancy occurs in the office of either the Board President or the Board 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.

#### Section 7. Meetings of the Board or Commission.

7.1 Regular Meetings. Regular meetings of the Board shall be held at such dates and times as may be specified from time to time by a resolution adopted by the Board. 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.

#### 7.2 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 8. 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, which may be in electronic form. 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 9. Executive Sessions. Nothing in these Bylaws shall be construed to prevent the Board from holding executive sessions during a regular or special meeting for the purposes permitted by RCW 42.30.110. 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 10. 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 11. Committees. The Board may from time to time act as a committee of the whole or establish by resolution such other committees as it may deem necessary or advisable in the conduct of its affairs or for other purposes it may specify. At the discretion of the Board, such committees may include members who are not Commissioners. The activities of any committees so appointed shall be conducted lawfully and be recorded in written minutes. Unless expressly authorized in the resolution establishing the committee, no committee shall be authorized to conduct hearings, take public testimony or comment, or take any other action on behalf of the Board, or otherwise act as a "Governing Body" within the meaning of the Washington State Open Public Meetings Act. Committees shall serve solely in an advisory capacity to the Board. Unless otherwise specified in the resolution creating the committee, the chair of committees shall be appointed by the Board President to serve for a term of one year, subject both to removal at the will of the Board President and to reappointment in the sole discretion of the Board President. Each committee shall continue in existence until terminated by amendment of these Bylaws or by other action is taken by the Board. The existence of the standing committees (Executive Committee and Governance, Bylaws and Nominating Committee) established by the Second Amended and Restated Bylaws of the Board of Commissioners, Skagit County Public Hospital District No. 1, adopted on April 24, 2015, and the charter committees (Finance Committee, Executive Quality Oversight Council, Strategic Planning and Transformational Committee, Compensation Committee and Community Outreach Committee) established by Resolution No. 3354, adopted May 1, 2015, and Resolution No. 3497, adopted April 22, 2016, shall be terminated as of February 28, 2018, and shall be superseded by such committees as the Board may establish at its discretion from time to time by resolution under the authority granted by these Bylaws.

Section 12. Powers and Duties of the Board. 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 13. Avoidance of Conflicts of Interest; Conflict of Interest Policy. 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. The Board adopted a Conflict of Interest/Code of Conduct Policy by Resolution No. 2637, dated June 26, 2009, which policy was amended by Resolution No. 3654, dated June 22, 2017, which policy shall remain in force until amended or repealed by resolution of 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 a 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. The Board shall adopt, and periodically review and revise as appropriate, a policy defining the scope of the authority delegated by the Board to the superintendent in addition to the authority granted by applicable law and these Bylaws. 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.

1.3 Board Communication with Superintendent and District Staff. Commissioners recognize that they are not vested by the laws governing public hospital



districts with authority or duties with respect to daily operations of the District and that the administrative functions of the District are vested with the superintendent under RCW 70.44.080 and the delegation policy adopted by the Board from time to time. Accordingly, while recognizing that some communications may be necessary and appropriate, Commissioners shall seek to reasonably and appropriately limit their direct communications with the superintendent and District staff regarding administrative matters.

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 treasurer of Skagit County shall be treasurer of the district unless, as permitted by RCW 70.44.171, the Board elects to designate by resolution, which may be adopted at any time, some other person having experience in financial or fiscal matters as treasurer of the district, subject to the requirement of an adequate bond with an authorized surety company as required by RCW 70.44.171. 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 MEDICAL STAFF

Section 1. Appointment and Organization. The members of the medical staff of each hospital operated by the District shall be appointed by the Board after considering recommendations duly submitted in accordance with the medical staff bylaws of the applicable hospital. Such bylaws, rules and regulations governing the appointment, organization and activities of the medical staff, including the 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, and shall assure that the requirements of due process of law are observed.

Section 2. Powers and Duties. Mindful that each person admitted to a hospital operated by the District 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 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 each hospital operated by the District and render such other services as the Board may consider desirable to enhance the standards of medical practice in the hospitals operated by the District; and

(vi) Be accountable to the Board for the proper discharge of the duties set forth in this section.

## ARTICLE V INDEMNIFICATION AND INSURANCE

Section 1. Indemnification. The District shall indemnify and hold harmless to the full extent permitted by applicable law, including RCW 4.96.041, 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.

Section 3. Indemnification/Defense Policy. The Board shall adopt, and from time to time review and revise as appropriate, policies and procedures addressing the procedures for

defending, indemnifying and insuring individuals eligible for protection under this Article V in compliance with the requirements of RCW 4.96.041.

#### ARTICLE VI 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. References to Revised Code of Washington. References to provisions of the Revised Code of Washington in these Bylaws shall include the provisions of the code as now in effect or hereafter amended.

Section 4. 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 VII 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 26th day of January, 2018.

  
\_\_\_\_\_  
Secretary and Commissioner

