

**BYLAWS OF THE BOARD OF TRUSTEES
MENDOCINO COAST HEALTHCARE DISTRICT**

775 RIVER DRIVE
FORT BRAGG, CALIFORNIA 95437

Adopted (March 30, 2023 TBD)

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ARTICLE I. GENERAL

Section 1. Title

These Bylaws shall be known as the "Bylaws of the Board of Trustees of the Mendocino Coast Healthcare District," and may be referenced as the "Bylaws."

Section 2. The District

- a. The Mendocino Coast Healthcare District (the "District") is a local healthcare district organized on March 6, 1967, under the provisions of the Local Healthcare District Law, Health & Safety Code section 32000, et seq., (the "District Law"). Under the terms of the District Law, as amended from time to time, the District owns and leases a hospital (the "Hospital") and rural health clinics (collectively, "District Facilities").
- b. The District is governed by an elected five-member Board of Trustees (the "Board"). The Board is responsible for oversight of all District Facilities, and shall make all necessary rules and regulations.

Section 3. Bylaws and Policy Manual

These Bylaws govern the conduct of the Board and implementation and compliance with the District Law and other applicable federal and state statutes and regulations. In addition to the Bylaws, the Board shall adopt a Policy Manual governing specific matters of the Board to augment the Bylaws (the "Policy Manual"), including, at a minimum, a Conflict of Interest Code and policies for ethical standards, Board and committee meetings, investments, legal claims, contracts and purchasing, environmental review of District projects and public records and retention. See Attachment A: Conflict of Interest.

Section 4. Effect of Bylaws on Past Actions and Obligations

The adoption of these Bylaws or the repeal of a resolution by the Bylaws shall not affect:

- a. Vested rights and obligations pertaining to any prior resolution; or
- b. Other matters of record referring to resolutions and not included within the Bylaws; or
- c. All previous legal agreements

Section 5. Maintenance of Bylaws

- a. A signed copy of the Bylaws shall be maintained on file in the District office. A current copy shall be maintained on the District website, and the District digital One Drive. Each Trustee shall be given a copy of the Board Bylaws and Policy Manual. Additional copies of the Bylaws shall be distributed as requested.
- b. Each resolution making a change in the Bylaws shall be filed by the Secretary and digitally stored.

ARTICLE II. BOARD OF TRUSTEES

Section 1. Mission of the Board of Trustees

The mission of the Board is to

- a. Ensure that the resources of the Health Care District are used in the best interests of the public.
- b. Meet its financial, contractual and regulatory obligations.
- c. Implement and support designated healthcare programs providing they are congruent with regulations and existing contracts.
- d. Ensure that the District maintains its fiscal solvency.
- e. The Bylaws and the mission should be reviewed annually for continued relevance

Section 2. Memberships

- a. Election: Trustees shall be elected in accordance with the District Law, except the date of election shall be the same date as the statewide general election. The dates of any notices, canvass of voters, certification of election, and all other procedural requirements shall comply with those for the statewide general election.
- b. Assuming office: A person may assume the office of Trustee as per Election Code Section 10554 on the first Friday following the certification of election results and upon completion of a notarized oath of office, the original of which must be delivered to the county elections office.
- c. Appointment:
 1. The office of a Trustee may become vacant before the end of the term because of death, resignation or other event causing vacancy. A resignation is effective when accepted by the Board and is irrevocable.
 2. The position shall be filled in accordance with Healthcare District regulations. Regulations are as follows:
 - a. Notwithstanding any other provision of law or county regulations, a vacancy in the Board of Trustees shall be filled pursuant to this section.
 - b. The District shall notify the county elections official of the vacancy no later than 15 days after either the date on which the District Board is notified of the vacancy or the effective date of the vacancy, whichever is later.
 - c. The remaining members of the District Board may fill the vacancy either by appointment pursuant to subdivision (d) or by calling an election pursuant to subdivision (e).
 - d. The remaining members of the District Board shall make the appointment pursuant to this subdivision within 60 days after either the date on which the District Board is notified of the vacancy or the effective date of the vacancy, whichever is later. The District shall post a notice of the vacancy in three or more conspicuous places in the

district at least 15 days before the District Board makes the appointment. The District shall notify the county elections official of the appointment no later than 15 days after the appointment.

- e. If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold office until the next general district election that is scheduled 130 or more days after the date the District Board is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office. If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office.
 - f. In lieu of making an appointment the remaining members of the Board may within 60 days of the date the District Board is notified of the vacancy or the effective date of the vacancy, whichever is later, call an election to fill the vacancy. The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the District Board calls the election.
 - g. If the vacancy is not filled by the District Board by appointment, or if the District Board not called for an election within 60 days of the date the District Board is notified of the vacancy or the effective date of the vacancy, whichever is later, then the Board of Supervisors of Mendocino County may appoint a person to fill the vacancy within 90 days of the date the District Board is notified of the vacancy or the effective date of the vacancy, whichever is later. The Board of Supervisors may order the District to call an election to fill the vacancy. The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the Board of Supervisors calls the election.
 - h. If within 90 days of the date the District Board is notified of the vacancy or the effective date of the vacancy, whichever is later, and the remaining members of the District Board or the Board of Supervisors have not filled the vacancy and no election has been called for, then the District Board shall call an election to fill the vacancy. The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the District Board calls the election.
- d. Notwithstanding any other provision of this section, if the number of remaining members of the District Board below a quorum, then at the request of the District Secretary or a remaining member of the District Board, the Board of Supervisors shall promptly appoint a person to fill the vacancy, or may call an election to fill the vacancy. The Board of Supervisors shall only fill enough vacancies by appointment or by election to provide the District Board with a quorum. If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold the office until the next general district election that is scheduled 130 or more days after the date the District Board is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office. If the vacancy occurs in the first half of a term of office,

but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office. The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is held 130 or more days after the date the Board of Supervisors calls the election.

Section 3. Ethics and Conflict of Interest Code

is the intent of the Board to act in the highest ethical standard in carrying out its duties to the public. It is also the intent of the Board to protect the District's interests when entering in to a transaction or agreement, and not the private interests of any Trustee, Officer, or Employee. To that end, the Board has adopted an "Ethics Policy" and a "Conflict of Interest Code" contained in the Board Policy Manual.

Section 4. Organization

Officers of the Board. The Officers of the Board shall be Chair, Vice-Chair, Treasurer, and Secretary. Officers shall be elected at the Board's regular January meeting for the calendar year and shall serve until their successor assumes office. A Board Member cannot hold more than one office at a time.

a. Chair. The Chair shall:

1. Preside over all the meetings of the Board.
2. Be responsible for coordination and liaison with community groups, public agencies, and residents served by the District.
3. Be responsible for the ongoing administrative affairs of the Board, including without limitation, supervision of financial matters, correspondence, and administrative activities of the Board.
4. Sign as Chair, contracts, conveyances, and other instruments in writing and checks on the funds of the District as the Board shall authorize
5. Be responsible for coordination and liaison with District legal counsel, auditors, and consultants.
 - a. Receive all requests from Board members for the preparation of legal opinions, legal memoranda, contracts, corporate documents or other legal work for legal counsel.
 - b. Prepare Board agendas with the assistance of legal counsel if necessary, prepare memoranda and other materials which are necessary to hold closed session meetings, Board Resolutions and other material pertinent to Board meetings as required,
 - c. Serve as an alternate member, if able, upon the excused absence of a Committee member, and
 - d. Invite legal counsel to attend Committee meetings, as desired.
6. Designate members of the Board to undertake special responsibilities and to report to the Chair on those activities.
7. Appoint, with the concurrence of the Board, members of Standing and Ad Hoc Committees.
8. Represent the Board at official functions and digital media platforms when necessary.
9. Ensure that postings meet the requirement of the digital media policy.

10. Serve as a spokesperson for the Board regarding Board actions, and keep the Board promptly informed of these occasions.

11. Perform other duties as pertain to the office as prescribed by the Board.

b. **Vice-Chair**. In the absence or inability of the Chair to serve, the Vice Chair shall perform the duties of the Chair and shall perform other duties as are prescribed by the Board.

c. **Treasurer**. The Treasurer or designee shall:

1. Keep, or cause to be kept, correct and accurate accounts of the properties and financial transactions of the District;
2. Present an annual fiscal year budget to the Board;
3. Cause an annual independent audit of the District to be performed in accordance with law;
4. Perform all duties incident to the office and such other duties as prescribed by the Board.
5. Monitor the financial activities that result from all Agreements and ensure these activities are in compliance with such Agreements.
6. Act as Board liaison with the Measure C Oversight Committee.
7. The Treasurer is authorized to set up automatic payment of any bills at their discretion and is authorized to pay all usual and customary expenses of the District

d. **Secretary**. The Secretary or designee shall ensure

1. That Minutes of all meetings of the Board are prepared, and ensure that such Minutes are filed in the official records of the District and are available on the District website.
2. That digital recordings of meetings are maintained and are available on the District website.
3. That the official record of resolutions, actions and orders passed or adopted by the Board are maintained;
4. That all correspondence, financial records and reports are maintained in the records of the District;
5. That appropriate notices in accordance with these Bylaws or as required by law are provided;
6. That all records of the District are maintained.
7. Perform all duties incident to the office and such other duties as prescribed by the Board.

Section 5. Powers

The powers of the District are set forth in the District Law and other applicable law. The powers of the District are vested in the Board, which may delegate one or more of its powers at its sole discretion. Specifically, the Board shall:

- a. Establish by Resolution substantive and procedural policies regarding the affairs of the District in accordance with the best interests of the communities served by the District.
- b. Enter into contracts and agreements with respect to the affairs of the District, including contracts for management services and for other activities approved by the Board.
- c. Hire staff as needed
- d. Enhance the provision of quality healthcare in the communities served by the District by, among other efforts, working with public and private entities
- e. The District, Adventist Health Mendocino Coast, and healthcare providers shall collaborate to develop and agree proactively on a comprehensive community healthcare needs assessment and plan. The District and Adventist Health will abide by the lease provisions as stated in Section 25.8 Restrictive Covenant. See Attachment B: Lease Agreement.
- f. Exercise all other powers now or hereinafter set forth in and given to it by the District Law and other public agency laws applicable to the District.

Section 6. Meetings

The Board will schedule meetings based on Board need. The Board will meet at minimum once per quarter. All meetings of the Board and its committees shall be conducted in accordance with the Ralph M. Brown Act, Government Code section 54950, et seq. (the "Brown Act"), and any other applicable law or regulation.

- a. Regular meetings of the Board shall be held in accordance with an annual calendar of meetings adopted at the January meeting.
- b. The District's fiscal year shall run from July 1 through June 30. The budget for the following fiscal year shall be adopted at the June meeting.
- ~~e~~ Meetings of the Board shall be open and public, except as allowed by law. Persons shall be permitted to attend any portion of a meeting, except a Closed Session.
- ~~d~~ When feasible, remote online access for meeting attendance by the public will be provided.
- ~~e~~ A quorum of the Board shall not discuss the business of the District directly, serially or through an intermediary, except at a properly noticed public meeting. A quorum of the Board may discuss the time, place and agenda for a meeting at any time. Two members of the Board may discuss District business at any time other than meetings of a Standing Committee, which are governed by the Brown Act.
- f. The Board adopts the use of Roberts Rules of Order as modified for small groups for the conduct of all meetings.

Section 7. Compensation, Benefits and Expenses

- a. Members of the Board of Trustees shall serve without compensation.
- b. Benefits. Trustees are entitled to the following benefits:

1. A flexible spending account funded by the District to be used towards health care costs.
2. If previously approved by the Board, a Trustee shall receive actual, reasonable and necessary reimbursement for travel, meals, lodging, registration and similar expenses incurred on District business. The rate for reimbursement shall not exceed the rate published by the IRS for deduction from taxes. However, if the expenses are incurred in connection with a trade conference, the reimbursement rates shall not exceed the posted rates for the conference and if the posted rates are not available, the reimbursement rate shall be comparable to the IRS rates.
3. Trustees must be authorized in advance to incur expenses for District purposes and shall submit a written request with supporting documents for reimbursement.

Section 8. Appointment of Office Manager

- a. The Board shall be solely responsible for selecting an Office Manager, who shall be responsible for managing the District's office, files, and preparations for Board meetings. The Board shall adopt a written statement setting forth the qualifications, authority and duties of the Office Manager. The Board shall set the Office Manager's compensation.
- b. Other employees may be hired by the Board to assist in the implementation of policy.
- c. Trustees may discuss but not direct employees in District business--Such employees shall, if possible, supply information requested by Trustees in writing, and shall inform the Chair when information is supplied.

Section 9. Legal Counsel

- a. An attorney shall be retained by the Board to act as General Counsel. The Board may appoint Special Counsel. The Board will set the compensation of General Counsel and Special Counsel. General and Special Counsel serve at the pleasure of the Board.
- b. The General Counsel is directly accountable to the Board. General Counsel shall provide legal advice and services as requested by the Board, and shall work with the Chair on the District's legal matters.
- c. General Counsel represents the District. General Counsel shall not represent individual Trustees, Officers or Employees, unless authorized in writing by the Board.
- d. General Counsel will recommend appointment of Special Counsel when conflicts arise or if necessary to deal with matters requiring specialized knowledge.
- e. Neither General Council nor Special Council shall respond to individual Board members request for service. All Board member requests for general or special legal counsel shall be referred to the Chair.

ARTICLE III. BOARD COMMITTEES

Section 1. General

- a. Committees of the Board shall be standing or ad hoc. The committee members shall be appointed by the Chair at the January regular Board meeting and as otherwise needed. The Chair's action shall be final unless a majority of director's object. Two Trustees shall be appointed to each committee, one of whom shall be the committee chair, and both of whom shall be voting members. Any Trustee not appointed to a committee may serve as an alternate to that committee. A calendar of regular meetings of committees shall be developed and posted on the District website.
- b. All committees shall be advisory to the Board, except as otherwise expressly specified by the Board.

Section 2. Standing Committees

a. Planning.

A Standing Committee on Planning will be chaired by the Vice Chair. The purpose of the Planning Committee includes but is not limited to

1. Developing an annual strategic plan of goals and objectives for the year
2. Recommending and overseeing employee policies and procedures;
3. Reviewing and recommending employee compensation and benefits
4. Developing and providing oversight for projects authorized by the Board
5. Recommending community members as appropriate for Board appointment to the Planning Committee.
6. Overseeing short and long- term facility planning and maintenance

b. Finance

A Standing Committee on Finance will be chaired by the Treasurer. The purpose of the Finance Committee includes but is not limited to

1. Recommending and overseeing fiscal and business policies and procedures.
2. Overseeing financial management and budgeting;
3. Recommending and overseeing fiscal controls;
4. Recommending and overseeing Investments
5. Overseeing internal audits and ensuring an annual independent audit
6. Reviewing and presenting to the Board financial statements and reports
7. Monitoring the financial activities that arise from the Agreements to ensure compliance with the terms and conditions of such Agreement.
8. Reviewing the spending of the Measure C fund

Section 3. Ad Hoc Committees

Ad hoc committees, including not more than two Trustees, may be established by the Chair subject to approval of the Board, for defined tasks of a limited duration. An ad hoc committee shall only perform those duties assigned by the Chair, and upon their completion be discharged. The Chair, in consultation with the Board, shall determine the members of the committee.

ARTICLE IV. MISCELLANEOUS

Section 1. Review of Bylaws

The Board shall review these Bylaws and the Policy Manual annually to ensure they comply with the District Law and all other applicable federal and state laws and regulations in keeping with the functions of the Board.

Section 2. Amendment of Bylaws

These Bylaws may be amended by a majority of the Board at a duly noticed Board meeting, provided a full statement of each proposed amendment has been sent to each trustee along with the meeting agenda and packet.

Section 3. Indemnification

- a. **Civil proceedings.** The District shall, to the full extent of the law, defend and indemnify each of its employees against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any civil claim arising out of the scope of his or her employment for the District. For purposes of this section, the term "employee" shall have the same meaning set for in Government Code section 810.2, or any successor statute thereof, and includes without limitation any person who was or is a director, officer, employee or servant of the District.
- b. **Criminal and administrative proceedings.** The District may but is not obligated to defend and indemnify its employees (as defined above). If an employee seeks defense and indemnification in any such proceeding, he or she shall submit a written request to the Board, which shall conduct a review of the request in accordance with Government Code sections 995.6 and 995.8, or any successor statute

CERTIFICATION OF THE SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Mendocino Coast Healthcare District;
and
2. That the foregoing Bylaws comprised of eleven (11) pages constitute the Bylaws, as amended, of the District as duly adopted at a meeting of the Board of Trustees thereof duly held on the 30th day in the month of March , 2023.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this day
_____, 2023

Secretary
Mendocino Coast Healthcare District