

Restated Bylaws of
Del Norte Healthcare District

PREAMBLE

SECTION 1: NAME

The name of this organization shall be the DEL NORTE HEALTHCARE DISTRICT (hereinafter "the District"), organized pursuant to the terms of the Healthcare District Law (Statutes 1945, Chapter 932; Health and Safety Code, Division 23, Sections 32000- 32492 of the State of California), to promote the public health and the general welfare. This organization shall be fully empowered to receive and administer funds for the attainment of these objectives, in accordance with the purposes and powers set forth in the Healthcare District Law.

ARTICLE 1

PURPOSES AND SCOPE

SECTION I: SCOPE OF BYLAWS

These bylaws shall be known as the "DISTRICT BYLAWS" and shall govern the District, its Board of Directors (hereinafter referred to as the "BOARD") and all of its affiliated and subordinate organizations and groups.

The bylaws of affiliated and subordinate organizations and groups, and any amendments to such bylaws, shall not be of any conflict between the bylaws of any affiliated or subordinate organization or group and the provisions of these District Bylaws, these District Bylaws shall prevail. In the event these District Bylaws are in conflict with any statute of the State of California governing the District, such statute shall prevail.

SECTION 2: MISSION

The Mission of the Del Norte Healthcare District is to maintain, improve, and restore the health of everyone in our community.

This mission is pursued subject to available financial and human resources and leadership consistent with the Local District Healthcare Law of California. The District sets forth Core Values as a framework to provide operational guidance for achieving its mission.

The Core Values of the Del Norte Healthcare District will strive to promote an atmosphere for those who live in Del Norte County to experience outstanding health care because:

- (a) There should be direct, affordable access to appropriate health care, including preventative care, when needed and that such overall health care should be coordinated in a comprehensive fashion with the cooperation of all hospitals, clinics and health care providers. This health care should be available to all regardless of race, creed, or national origin of those in need of the health care;
- (b) Health care providers should always show respect and honor the dignity of everyone;
- (c) The available services should (a) match the needs of the community, (b) be fiscally sustainable, and (c) meet or exceed the professional standard of care applicable to health care providers;
- (d) Wise stewardship will be exercised regarding the District's financial resources to ensure stability, agility, and prudent growth;
- (e) Partnerships with hospitals, clinics, physicians, other healthcare providers, and payers will extend the range of available services and conserve resources;
- (f) We will feel informed and proud of the quality of health care available in the District;
- (g) Within the limits of community resources, to provide the best facilities possible for the care of the injured and ill, regardless of race, creed, or national origin;
- (h) To establish, maintain, and operate, or provide assistance in the operation of free clinics, diagnostic and testing centers, health education programs, and such other health care provider groups and organizations as are necessary for the maintenance of good physical and mental health in communities served by the District;
- (i) The Board recognizes that it is most effective in maintaining, improving, and restoring the health of everyone in our community when it works in collaboration with others. Among our partners are the community, are nonprofit hospitals, clinics, the medical community, and other healthcare providers. Although the responsibilities of the Board are set forth in our public trust as the duties of fiduciary responsibility and care and in state law, it is the intent of the Board to maximize its impact on health by building strong, cooperative relationships and to make the quality and cost of health care publicly transparent and accordingly, responsive and cost-effective for all patients residing in, or receiving care, within the district;
- (j) To conduct educational and research activities appropriate for the attainment of the District's purposes;

- (k) The Board is publicly elected to represent the collective interests of all people in the District, regardless of whether they may be patients at hospitals, clinics or medical practices operating within the District. That trust is exercised by inquiring and listening to the concerns of the entire community regarding health care expectations, community resources that might be available, and matters of good organizational citizenship. The Board should strive to ensure that the public is informed about its own health and the operations and associated cost of service of the hospitals, clinics and other healthcare services. The Board will assist the public in working with healthcare providers within the District to receive treatment that will be eligible for medical insurance plans available to residents of the District. The public is also welcome and encouraged to monitor District operations and policy and participate in the discussion of the public actions of the Board. It is the intent of the Board to honor the full spirit of transparency in its work;
- (l) Physicians are a self-governing community of peers who set standards for quality of care and professional conduct. Some of these professionals are hospital or clinic employees; many are not. The community is best served when an appropriate mix of practitioners is free to reach professional excellence, with the Board providing required oversight and necessary resources;
- (m) The District recognizes that maintaining, improving, and restoring the health of everyone in our community involves collaboration with the entire health care community. Our mission includes individuals who are insured through providers outside of Del Norte County and use this community's emergency or diagnostic or support services as well as those who use the services of other local providers and are referred to hospitals and clinics operating in the District for supportive care. Patients of any hospital or clinic should be able to expect that their care will include referral for advanced treatment outside the District that offer specialized services. The District works with local adjunctive services to ensure a supportive community environment.

SECTION 3: DISPOSITION OF SURPLUS

Should the operation of the District result in a surplus of revenue over the expenses during any period, such surplus may be used and dealt with by the District for charitable hospital and medical care facilities and activities, or for any other purposes consistent with the Healthcare District law, with specific reference to Section 32121(m) of the California Health and Safety Code.

ARTICLE II

DIRECTORS

SECTION 1: NUMBER, QUALIFICATIONS, AND TERMS OF OFFICE

The Board shall consist of five (5) Directors, each of whom shall be a registered voter residing in the District, and who shall comply with Section 32110 of the Health and Safety Code. Each Director shall serve a term of four (4) years pursuant to the Healthcare District law and the Elections Code of the State of California, and otherwise comply with all requirements set forth in the Healthcare District law.

SECTION 2: POWERS AND DUTIES

The Board shall have and exercise all the powers of the District as set forth in Chapter 2, Article 2 of the Healthcare District law, including, but not limited to, the following:

- (a) To determine and direct the policies of the District with respect to community needs;
- (b) To control and be responsible for the management of all operations and affairs of the District;
- (c) To make and enforce all rules and regulations necessary for the administration, government, protection, and maintenance of facilities under District jurisdiction;
- (d) To appoint an Executive Officer and to define the powers and duties of said Executive Officer;
- (e) To adopt resolutions establishing policies or rules for the operation of the District and any of its facilities. Such resolutions shall be kept in a separate book or file and shall be available for inspection at all times;
- (f) To establish and operate such medically oriented education programs as shall from time to time be deemed by the Board to be necessary and beneficial to the District;
- (g) To establish a responsible fiscal system for the receiving, accounting for, managing, and disbursing of District funds and property;
- (h) To provide for the proper administration of funds given to the District in trust;
- (i) To ensure against conflicts of interest and actions providing personal gain to the District's Directors;

- (j) To do any and all other acts and things necessary to carry out the provisions of the District Bylaws or of the provisions of the Healthcare District law.

SECTION 3: COMPENSATION

Directors shall serve without compensation. In addition, each director shall be allowed his or her actual necessary traveling and incidental expenses incurred in the performance of official business of the District as approved by the Board.

It is the intention of the Board of Directors of the Del Norte Healthcare District, to provide health insurance for Director Members. Individuals covered by the policy may have dependents covered by such insurance if they pay for the cost of the coverage.

SECTION 4: VACANCIES

Any vacancies on the Board shall be filled by appointment by the remaining Directors. Any person appointed to fill such vacancy shall hold office for the unexpired term pursuant to Section 1780 of the Government Code of the State of California.

SECTION 5: INDEMNITY OF DIRECTORS, OFFICERS, AND EMPLOYEES

To the fullest extent permitted by law, the District shall indemnify any director, officer, or employee, or former director, officer, or employee who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative, arising on account of an act or omission by such person in the scope of their employment or in the exercise of their powers, responsibilities and duties as a director, officer, or employee of the District, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such action or proceeding if such person acted in good faith and in a manner that the person reasonably believed to be in the best interests of the District, and, in the case of a criminal proceeding, had no reasonable cause to believe that their conduct was unlawful. The termination of any action or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that the person reasonably believed to be in the best interest of the District or that the person had reasonable cause to believe their conduct was unlawful.

ARTICLE III

MEETINGS OF DIRECTORS

SECTION I: REGULAR MEETINGS

The Board shall meet regularly on the fourth Tuesday of each month at 6:30 p.m., unless otherwise provided by resolution of the Board.

SECTION 2: SPECIAL MEETINGS

Special meetings of the Board may be called by the Chairman or any (2) Directors, and notice of the holding of such meeting shall be given to each Director at least twenty-four (24) hours before the meeting, at each such Director's address or place of business as shown in the records of the District. Such notice shall state the business to be transacted at the special meeting, and shall state that no other business will be transacted thereat.

SECTION 3: QUORUM

A majority of the Directors shall constitute a quorum for the transaction of any business of the District. The affirmative vote of a majority of the Directors shall be required to constitute an action of the Board.

SECTION 4: ADJOURNMENT

A quorum of the Board may adjourn any Directors' meeting, either regular or special, to meet again at a stated day and hour, provided, however, that in the absence of a quorum, a majority of the Directors present at any Director's meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

SECTION 5: PUBLIC MEETINGS

→ All meetings of the Board, whether regular, special, or adjourned, shall be open to the public, provided, however, that the foregoing shall not be construed to prevent the Board from holding executive sessions to consider the appointment, employment, or dismissal of an employee or to hear complaints or charges brought against such officer or employee, or to consult with legal counsel concerning litigation to which the District is or may be a party, or as otherwise authorized by law. Such executive sessions may be called at any time during any open meeting. Minutes of such executive sessions need not be kept.

SECTION 6: ATTENDANCE AT MEETINGS

Notwithstanding any other provisions herein, the Board will have the discretion to declare the term of any Director to be vacant if such Director is absent without the consent of the Board from three (3) consecutive regular meetings, or from three (3) of any five (5) consecutive meetings of the Board and the Board by resolution declares that a vacancy exists on the Board. The Board shall also have the discretion to grant a leave of absence to any Director upon request.

SECTION 7: AGENDA

The Agenda of each regular meeting of the Board shall contain at least the following:

- I. Call to Order
- II. Roll Call
- III. Public Comment for Items not on the Agenda
- IV. Consent Agenda Items
- V. Approval of Minutes
- IV. Communications
- VI. Committee Reports
- VII. Report of Executive Secretary
- VIII. Unfinished Business
- IX. New Business
- X. Individual Directors Report of Activities
- XI. Public Comment for any Closed Session Items
- XII. Adjournment to Closed Session
- XIII. Return to Open Session and Report of any Action(s) Taken During Closed Session.
- XIV. Adjournment

Any Board member may submit an item to be placed on the agenda at any time before the agenda is posted. Members of the public who wish to address the board or request formal board action must submit a request, in writing, at least two weeks before the meeting date. Public items may be placed on the agenda at the discretion of the Chairman.

ARTICLE IV

OFFICERS

SECTION 1: OFFICERS

The officers of the Board shall be a Chairman, Vice-Chairman/Treasurer, and a Secretary. All officers shall hold office at the pleasure of the Board. The officers shall be elected by the Board annually as the first order of business at the December Regular Meeting of the Board, unless the Del Norte County Elections Official has not yet certified the official canvass of the election and any new directors elected have not yet been sworn into office, in which event the election shall be automatically continued to the next Regular Meeting. Each officer shall serve for a term of one (1) year, but may be reappointed to that office upon majority vote of the Directors. The Board may adopt policies and procedures designating one or more of its officers to sign checks drawn on the funds of the District, and to execute in the name of the District all contracts and conveyances and any other written instruments.

SECTION 2: CHAIRMAN

The Chairman, or member of the Board acting as such:

- (n) Shall preside over all meetings of the Board;
- (o) Shall sign, as Chairman, and with the attestation of the Secretary, shall execute, in the name of the District, all contracts and conveyances and all other instruments in writing which have been authorized by the Board;
- (p) Shall have, subject to the advice and control of the Board, general responsibility for management of the affairs of the Board during his or her term of office.

SECTION 3: VICE-CHAIRMAN/TREASURER

If, at any time, the Chairman shall be unable to act, the Vice-Chairman shall take the Chairman's place and perform the Chairman's duties. If the Vice-Chairman shall also be unable to act as Chairman/Treasurer, the Secretary shall be vested with all the functions and duties of the office of Chairman until such time as the Chairman or Vice-Chairman shall be able to assume such functions and duties.

The Vice-Chairman/Treasurer shall have the duty to ascertain that all receipts are deposited and disbursements made in accordance with the District Bylaws, the directions of the Board, and good business practice. The Board may employ an accountant to assist the Vice-Chairman/Treasurer, to maintain the financial records of the District and to prepare such financial reports as are required by the Board or the Executive Officer. Such accountant need not be a member of the Board.

The Vice-Chairman/Treasurer shall have the authority to pay invoices pursuant to contracts previously approved by the Board. The Vice-Chairman/Treasurer shall have authority to enter into contracts not to exceed \$500 for the repair and maintenance of all structural parts of the Wellness Center, including maintenance of the electrical and plumbing systems, and of the exterior of the building and grounds. The Vice-Chairman/Treasurer shall seek Board approval of any contract in excess of \$500.

The Vice-Chairman /Treasurer may delegate the authority and responsibility under this Section to the Executive Secretary, in which case a monthly report of all expenses paid shall be submitted by the Executive Secretary to the Board for review. Once quarterly the Vice-Chairman/Treasurer shall review all expenses paid by the Executive Secretary and make recommendations to the Board regarding any necessary changes in the expenses incurred or paid by the District.

SECTION 4: SECRETARY

The Secretary shall keep, or cause to be kept, accurate and complete minutes of all meetings, attest the signature of the Chairman or Executive Officer on contracts and conveyances and all other instruments as provided by Section 2 of this Article, and perform such other duties as ordinarily pertain to this office. The Secretary may delegate the duties set forth in this Section to the Executive Secretary.

SECTION 5: OTHER OFFICES

The Board may create such other offices as the business of the District may require and the holder of each such office shall hold office for such period, have such authority, and perform such duties as are provided in the District Bylaws or as the Board may from time to time determine. Such additional offices shall be filled by members of the Board.

ARTICLE V

COMMITTEES

SECTION I: SPECIAL COMMITTEES

Special Committees and their chairperson may be appointed by the Chairman with the concurrence of the Board of Directors for such special tasks as circumstances warrant. Such special committees shall limit their activities to the accomplishment of the task for which created and appointed, and shall have no power to act except such as is specifically conferred by action of the Board of Directors. Upon completion of the task for which appointed, such special committee shall stand discharged.

ARTICLE VI

EXECUTIVE SECRETARY

SECTION I: GENERAL

The Board may select and appoint a competent Executive Secretary who shall be its representative in the management of the District. The Executive Secretary shall be given the necessary authority and responsibility to operate the District in all its activities, subject to such policies and direction as may be issued by the Board. He or she shall act as the duly authorized representative of the Board in all matters in which the Board has not formally designated some other person to so act. The Executive Secretary shall exercise all powers and duties subject to the Board's supervision.

SECTION 2: POWERS AND DUTIES

The authority and responsibility of the Executive Secretary shall include:

- (a) Carrying out all policies established by the Board and advising the Board with respect to formation of these policies;
- (b) Fostering meaningful professional relationships between the District and healthcare providers, contractors, and the public;
- (c) Preparing an annual budget showing the expected revenue and expenditures as required by the Board or its Finance Committee;
- (d) Maintaining all books and accounts of the District in coordination with the Vice-Chairman/Treasurer and any outside firm providing accounting, auditing or payroll services;

(e) Maintaining physical properties in a good and safe state of repair and operating condition, including paying all bills and entering into contracts when delegated such authority by the Vice-Chairman/Treasurer;

(f) Maintaining the District's website;

(g) Presenting to the Board, or its authorized committee(s), monthly reports reflecting the services and financial activities of the District and such special reports as may be required by the Board;

(e) Serving as the liaison and channel of communications between the Board and its important community partners, including, but not limited to, tenants, contractors, vendors, attorneys and the public;

(i) Preparing a detailed agenda of each open meeting of the Board and posting the agenda in accordance with state law. Performing other duties that may be necessary or in the best interest of the District.

SECTION 3: COMPENSATION AND BENEFITS

The hours, wages, benefits and other compensation shall be set by the Board by Resolution.

ARTICLE VII

REVIEW AND AMENDMENT

The District Bylaws may be reviewed upon direction of the Board of Directors by a Bylaws Committee comprised of such Board members and other persons as the Chairman shall in his or her discretion deem appropriate.

The District Bylaws may be amended by Resolution at any meeting of the Board upon the affirmative vote of a majority of the full membership of the Board provided that each Director is given thirty (30) days' notice that the amendment of the District Bylaws is to be considered at such meeting and provided that such notice contains a description of all proposed amendments to be considered.

ARTICLE VIII

SEAL

The Board shall have the power to adopt a form of seal and to alter it at pleasure.

ARTICLE IX

COMMUNITY ASSISTANCE AND GRANTS

The Board may provide assistance or make grants to nonprofit provider groups and clinics already functioning in the community, as authorized by Health and Safety Code §32126.5. Pursuant to Health and Safety Code §32139, and assistance or grants shall be provided pursuant to the following:

(a) Any applicant for assistance or grant funds shall submit to the Board in writing, a detailed proposal explaining:

1. The amount requested;
2. How the funds will be used;
3. The nexus between the allocation of the funds and the mission of the Healthcare District; and
4. How the applicant intends to demonstrate that the funds are being spent consistently with the proposal and the mission of the Healthcare District.

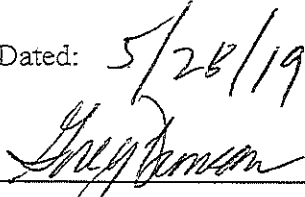
(b) The applicant's proposal shall be submitted to the Board at least two weeks before the meeting at which the request will be considered by the Board. It shall be immediately distributed to the Directors, and shall be made public at the time of the posting of the agenda.

(c) The Board shall not accept any proposal unless the Board is satisfied that:

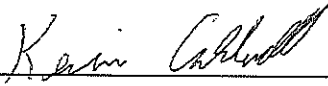
1. There is an adequate nexus between the allocation of the assistance or grant funding and the mission of the Healthcare District; and

2. There is an adequate process to ensure the allocated funding is being spent consistently with the proposal and the mission of the Healthcare District. The District shall only consider funding entities who agree to make their financial records open to public inspection.


Dated: 5/28/19



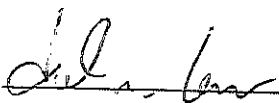
GREG DUNCAN
Chair of the Board



KEVIN CALDWELL
Vice-Chair/Treasurer



ELIZABETH AUSTEN
Secretary



DOHN HENION
Director

MICHAEL YOUNG
Director