



**Mendocino Coast Health Care District
Board Bylaws
Amended, by the Board of Directors**

September 26, 2024

ARTICLE I. GENERAL INFORMATION

Section 1. The District

The name of the District is the Mendocino Coast Health Care District (the "District"), an independent health care district, formed on January 17, 1967, by a vote of the District's constituents for the purpose of constructing a public hospital to serve the people of Mendocino County and continues to operate as a local healthcare district pursuant to California Health & Safety Code § 32000, et seq., (the "Health Care District Law"). The hospital construction was completed in 1971.

The principal office of the District is hereby fixed and located at 775 River Drive, Fort Bragg CA, 95437. All Board meetings are to be held in the jurisdiction of the District.

ARTICLE II. GOVERNANCE

Section 1. Board of Directors

The District is governed by an elected five-member Board of Directors (the "Board"). Board members must be a registered voter within the District. The Board is responsible for oversight of all District facilities and shall make all rules and regulations necessary for the administration of the District facilities. Members of the Board serve in a voluntary capacity.

The Board acts in accordance with, and has all rights and responsibilities set forth in, *The Ralph M. Brown Act*, Government Code section 54950, et seq., as is now in effect or as amended in the future. The Board has responsibility to act transparently and in the best interests of the public. The Board shall establish district policies and perform strategic planning and carry out their fiduciary responsibility for meeting the district's financial, contractual and regulatory obligations, to protect and enhance district assets.

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 local Conflict-of-Interest Code and policies for ethics standards, Board and committee meetings, investments, legal claims, contracts and purchasing, and public records and retention.

These Bylaws and policy manual shall be reviewed by the Board biannually, or more often as necessary, 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.

These Bylaws may be amended by a quorum of the Board at a duly noticed Board meeting, provided a full statement of each proposed amendment has been sent to each director along



with the meeting agenda and packet.

Section 2. Bylaws Authority

These Bylaws are intended for the governance of the District Board in compliance with the Health Care District Law and other applicable Federal and State statutes and regulations.

The Board is empowered to perform all legal acts necessary and prudent to carry out the provisions of the Health Care District Law.

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

- Vested rights and obligations pertaining to any prior resolution; or,
- Other matters of record referring to resolutions and not included within the Bylaws.

All previous legal agreements will continue in effect under their terms.

Section 3. Maintenance of Bylaws.

A signed copy of the Bylaws shall be maintained on file in the District office, together with each adopted resolution making a change to the Bylaws. A current copy shall be maintained on the District website. Each Director shall be given a copy of the Board Bylaws and Policy Manual. Additional copies of the Bylaws shall be distributed as requested.

Section 4: Board Powers

The Board of Directors is the decision-making body for the District. The Board controls all District powers and makes decisions as a whole group, not individually. The Board can create rules and regulations for the District by a majority vote, as long as these rules don't conflict with the Bylaws or State or Federal Law. All directors shall have one vote each at meetings of the Board, and each Director's vote shall have equal weight. There shall be no voting by proxy.

The Board is authorized to make appropriate delegations of its powers and authority to officers, consultants, and employees of the District. As a whole, the Board must:

- Establish policies for the management of all District operations, facilities and activities;
- Oversee the Lease of the Hospital and other designated assets of the District, insure compliance of the Lessee, and monitor the function of the District, as Lessor;
- Establish a job description and appoint a General Manager and evaluate the General Manager at least once a year;
- Form and engage with required governance structures established by local funding measures;
- Provide assistance consistent with the terms of any lease;
- Make grants to nonprofit entities that are able to provide health related services in the District;



- Follow all rules in the Bylaws and Health Care District law;

Section 5. Board Membership

County Election

Directors shall be elected in accordance with the Health Care District Law, except the date of election shall be the same date as, and consolidated with, 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.

A Director shall be elected for a term of four years or until his or her successor is elected and has qualified. The terms of Directors shall be staggered such that two seats are filled in one District election and three seats are filled in the following District election.

Assuming Office

Directors shall take office at noon on the first Friday following certification of the election results by the Mendocino County Registrar of Voters, as provided by Elections Code § 10554, and upon receipt of an original, notarized oath of office, by the Mendocino County Elections office.

Appointment

The office of Director may become vacant before the end of the term because of death, resignation or other event causing vacancy. A resignation shall be in writing, is effective when accepted by the Board and is irrevocable. The position shall be filled in accordance with applicable State law.

Quorum

Notwithstanding any other provision of this section, if the number of remaining members of the District Board falls 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.

Attendance

All Directors shall notify the Board Chair or his/her designee not later than 24 hours prior to any regular meeting if they do not plan to attend the meeting. In the event a Director fails to do so, then that absence shall be deemed unexcused. If any Director is deemed unexcused and absent from three consecutive regular meetings or from three or more of any five consecutive meetings of the Board (including meetings of any Standing Committee), the Board may, by vote and resolution, declare that a vacancy exists on the Board, and that



Director's term shall expire upon such resolution's adoption, In accordance with Health & Safety Code § 32100.2, as amended.

Resignation

Any Board member may resign effective upon giving written notice to the chair, the secretary, or the board, unless a notice specifies a later time for the effectiveness of such resignation.

Fiduciary Responsibility

The Board and persons authorized to make investment decisions on behalf of the District are trustees, and therefore fiduciary and subject to the prudent investor standard when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing such public funds. Investment of surplus funds of the district may be made in those investments authorized by Government Code § 53601, the District's investment policy, or such other provisions as may be provided from time to time by law.

Section 6. ~~(b)~~ Board Ethics and Conflict of Interest Code.

It 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 into a transaction or agreement, and not the private interests of any director, officer, consultant or employee. To that end, the Board has adopted an "Ethics Policy" and a "local Conflict of Interest Code" contained in the Board Policy Manual.

California Assembly Bill 1234 provides that, if a local agency gives any type of compensation, salary, or stipend to, or reimburses the expenses of a member of its 'legislative body' (as that term is defined in California Government Code § 54952), that local agency's officials must receive training in ethics.

Section 7. Board Organization

Officers of the Board

The officers of the Board shall be Chair, Vice-Chair, Treasurer, and Secretary. Officers shall be elected by majority vote, at the Board's regular January meeting for the calendar year, and shall serve at the pleasure of the Board, until their successor assumes office or until he or she is otherwise disqualified to serve. A Board Member cannot hold more than one Board officer office at a time. The Treasurer does not need to be an elected member of the Board.

Chair.

The Chair shall preside over and conduct all meetings of the Board of Directors, shall carry out the resolution and orders of the Board of Directors, and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe including, but not limited to, the following:

- Prepare Board agendas with input from Board members, with the assistance of the General Manager, Chief Financial Officer and legal counsel, as necessary;
- Call the meeting to order at the appointed time;



- Announce the business to come before the Board in its proper order;
- Enforce the Board's policies in relation to the order of business and the conduct of meetings;
- Recognize persons who desire to speak, and protect the speaker who has the floor from
- disturbance or interference;
- Explain what the effect of a motion would be if it is not clear to every member;
- Restrict discussion to the question when a motion is before the Board;
- Rule on parliamentary procedure;
- Put motions to a vote, and state clearly the results of the vote; and
- Preserve order and decorum.
- Represent the Board (or appoint a designee) at official functions as necessary for coordination and liaison with community groups, public agencies, and residents served by the District;
- Serve as a spokesperson for the Board regarding board actions, and keep the Board promptly informed;
- Sign as Chair: contracts, conveyances, and other instruments in writing, and checks on the funds of the District as the Board shall authorize or direct the Chair to sign;
- Be responsible for coordination and liaison with Adventist Health, and District legal counsel, auditors, employees and consultants;
- Receive all requests from Board members for the preparation of legal opinions, legal memoranda, contracts, corporate documents or other legal work for legal counsel;
- Prepare memoranda and other materials which are necessary to hold closed session meetings, with the assistance of the General Manager, Chief Financial Officer and legal counsel, as necessary;
- Prepare Board Resolutions and other material pertinent to Board meetings as required with the assistance of the General Manager, Chief Financial Officer and legal counsel, as necessary;
- Invite legal counsel to attend meetings, as needed;
- Designate staff or members of the Board to undertake special responsibilities and to report to the Board on those activities;
- Appoint, with the concurrence of the Board, members of Standing and ad hoc committees; and
- Perform other duties pertaining to the office as prescribed by the Board.

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. The Vice Chair shall serve as one member of the Standing Planning Committee, as the Chair.

Secretary.



The Secretary shall perform oversight to ensure that:

- Minutes of all meetings of the Board are prepared and filed in the official records of the District and are available on the District website. At a minimum, meeting Minutes shall show the meeting time and place, the names of Directors present, and a statement of the vote of the Directors on all motions and resolutions;
- The official record of resolutions, correspondence, actions, or orders passed or adopted by the Board are maintained in the records of the District;
- The official record of all correspondence and financial reports are maintained in the records of the District;
- That appropriate notices are provided in accordance with these Bylaws or as required by law; and,
- That all duties incident to the office and such other duties as prescribed by the Board are completed.

Treasurer.

The Treasurer shall perform oversight to ensure that:

- In conjunction with the Chief Financial Officer and the General Manager, present an annual fiscal year budget (July 1 to June 30), to the Board for adoption at the June meeting each year.
- there is accurate accounting of the District funds;
- s/he acts as Board liaison with the Measure C Standing committee; and,
- all duties incident to the office and such other duties as prescribed by the Board shall be carried out.

Section 8. Board Meetings.

Regular meetings of the Board shall be held on the fourth Thursday of the month at 6:00 p.m., except that the November and December and January meetings will be held on the second Thursday of the month, in accordance with an annual calendar adopted at the January meeting. Regular meetings of the Board shall be held at 700 River Drive, Redwoods Room, Adventist Health Mendocino Coast Hospital, Fort Bragg, Ca., unless an alternate location is specified by action of the Board. Special meetings shall be held within the jurisdiction of the District, or another location permitted by law, as specified in the Notice and Call of the Special meeting.

Meetings of the Board shall be open and public, except as allowed to be closed by law. Persons shall be permitted to attend any portion of a meeting, except a closed session. The Board or the Board Secretary as applicable may adjourn or cancel a meeting as provided in the Brown Act. The Board has adopted the use of Robert's Rules of Order as modified for small groups for the conduct of all meetings. When feasible, remote online access for meeting attendance by the public will be provided.

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 (but not a standing committee) may discuss District business at any time.



Section 9. Board Compensation and Benefits

Members of the Board of Directors shall serve without compensation and are entitled to stipends for Directors' attendance at regular Board meetings, special Board meetings, and Board Standing committee meetings. The Board may adopt a policy authorizing a stipend not to exceed fifty dollars (\$50) per meeting, for each committee meeting or other meeting authorized by Board or Chair of the Board; and not to exceed \$250 a month in accordance with § 32103 of the California Health and Safety Code, as amended.

A budget for the Board of Directors educational expenses is developed each year. The Board shall review all travel and incidental expenses annually at the regular June meeting.

The District shall provide Errors and Omission (E&O) insurance to cover members of the Board of Directors

Section 10. Board Expenses.

Directors must be authorized by the Board in advance to incur expenses for District purposes and shall submit a written request with receipts for reimbursement. If Directors are reimbursed for expenses incurred in attending a meeting or event on District business, the Director shall provide a brief public report on such activity at the next Board meeting.

Section 11. Appointment of General Manager

The Board shall be solely responsible for selecting a General Manager or designee, who shall be responsible for managing the District's day-to-day operations, facilities, and finances. The General Manager serves at the will of the Board and may be an employee or an independent contractor.

The General Manager may recommend and shall implement policies adopted by the Board. The General Manager shall ensure that an annual independent audit of the District is performed in accordance with law, commencing in August of each year.

The Board shall adopt a written statement setting forth the qualifications, authority, and duties of the General Manager. The Board shall set the General Manager's compensation. The Board shall at least annually conduct a review of the performance and compensation of the General Manager.

Board members may discuss District business with the staff members or consultants individually, but no individual Board member may give direction to staff members or consultants. In consultation with Board members, the Board Chair has sole authority to direct staff or consultants to carry out the business of the Board.

Section 12. Legal Counsel

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. 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 and the General Manager on the District's legal matters.

The General Counsel represents the District. General Counsel shall not represent individual Board members, Officers or Employees, unless authorized in writing by the Board. General Counsel will recommend appointment of Special Counsel when conflicts arise or if necessary to deal with matters requiring specialized knowledge. Neither General Counsel nor Special Counsel shall respond to individual Board members' requests for service, but may respond to individual Board members' questions regarding District legal issues or business. All Board member requests for general or special legal counsel service shall be referred to the Chair.

Section 13. Indemnification.

The District shall, to the full extent permitted by law, defend and indemnify each of its Board members, officials, and 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 § 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.

For claims other than civil claims, the District may, but is not obligated to, defend and indemnify its Board members, officials and 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 § 995.6 and § 995.8, or any successor statutes

ARTICLE III. BOARD COMMITTEES

Section 1. General.

Committees of the Board shall be established via appointment by the chair, via a majority vote and resolution of the Board, and may be Standing or ad hoc. Standing committees are subject to the *Ralph M. Brown Act* provisions. *Ad hoc* committees are not subject to Brown Act requirements but shall provide reports back to the Board in open and public meetings.

Standing committee membership shall be elected or appointed at will at the January regular Board meeting, or as otherwise needed for *ad hoc* committees. Two directors shall be appointed to each Standing committee, one of whom shall be the committee chair, and both of whom shall be a voting member. Any Director not appointed to a Standing committee may serve as an alternate to that Standing committee. A Regular meeting calendar of Standing committees shall be developed and posted on the District website. All committees shall be advisory to the Board, except as otherwise expressly specified by the Board.

If committee members are absent from two consecutive meetings of that committee, the Board may replace such an absentee member by appointing another Board member via majority vote to serve on the committee. Every Standing committee shall keep action minutes of each of its meetings, and every committee shall report to the Board periodically



concerning its activities.

The Board may, by majority vote, appoint a temporary Committee Member to serve during the absence of a regular committee member.

Any member of a committee may be removed at any time by the Chair, subject to the consent of the Board.

Section 2. Standing Committees.

Planning

A Standing Committee on Planning, composed of two Board members and up to Six community members, will be chaired by the Vice Chair and shall meet at least quarterly and report to the Board thereafter. The purpose of the Planning Committee includes but is not limited to

- Developing a plan and performing oversight for projects authorized by the Board;
- Developing a plan and performing oversight for ongoing facilities maintenance and a five-year facilities improvement plan;
- Recommending and overseeing Human Resource policies, compensation and benefits; and,
- Recommending community members as appropriate for Board appointment to the Planning Committee.

Finance

A Standing Finance Committee composed of two board members and up to Six community members, chaired by the Treasurer, shall meet at least quarterly and report to the Board thereafter. The purpose of the Finance Committee includes but is not limited to:

- Ensuring an annual independent audit is performed;
- Providing a budget recommendation to the Board in May of each year for adoption in June;
- Recommending and overseeing fiscal policies and investments, and accounting and budgeting practices;
- Reviewing Board financial statements and reports; and
- Reviewing Measure C Committee recommendations;

Section 3. Ad Hoc Committees.

Ad hoc committees, including not more than two directors, may be established by the Chair for defined tasks of a limited duration. The Chair shall notify the Board that an *ad hoc* committee has been established, and the purpose thereof. An *ad hoc* committee shall only perform those duties assigned by the Chair, and upon their completion be discharged. The Chair shall determine the members of the committee. The Chair shall be notified in advance of all *ad hoc* committee meetings.



ARTICLE IV. DISSOLUTION

Any proposal for dissolution of the District shall be subject to confirmation of the voters in the District, in accordance with California Government Code § 56378. There shall be no contemplation of profit or monetary gain, and no distribution of profits to any individual, under any guise whatsoever, nor any distribution of assets or surpluses to any individual on the dissolution of the District.

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Mendocino Coast Healthcare District; and that the foregoing Bylaws comprised of ten (10) pages constitute the Bylaws of the District, , as amended and adopted at a meeting of the Board of Directors held on September 26, 2024.

IN WITNESS WHEREOF

Susan Savage, Secretary

Date