Mendocino Coast Health Care District

Board Policies

October 2026

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Policy 1

Conflict of Interest

rev. May 14, 2026

Article I: Purpose
Members of the Board of Directors, staff and consultants of the Mendocino Coast Health Care district are expected to carry out their duties and responsibilities in the best interests of the district and under circumstances where they are free from conflicting loyalties. The purpose of this Code is to protect the integrity of the district and its Board members, staff and consultants, provide guidelines, and meet the requirement of State law. (Government Code section 1090, et seq., and the Political Reform Act, Government Code §§81000-91015, and other laws in California governing conflicts of interest).

Article II: Application
Except as otherwise provided these policies and procedures shall apply to all District Board members, staff, and consultants of the district.

Article III: Policy
(1) It is the policy of the district that full disclosure shall be made of those interests and activities that may bring a district board member, staff or consultant into conflict with the mission and purposes of the district.

(2) It is prohibited for district board members, staff, or consultants to participate in any compensated undertaking or endeavor that is fundamentally at odds with, or antagonistic to, their official obligations or the broader mission of the district. In instances where external activities potentially diverge from or conflict with their fiduciary or professional responsibilities, a comprehensive written disclosure must be submitted to the Chair for review.

Article IV: Guidelines for Activities that May Present a Conflict.
Board members, staff and consultants of the District must prevent their personal interests—whether financial or otherwise—from interfering with the district's public obligations. This policy necessitates the exercise of common sense, good judgment and discretion to safeguard the District's welfare. The following is a non-exhaustive list of the types of activities that may present a conflict and must be disclosed.

Adverse Interest

Participation by a District Board member, staff, consultant or their family member in decisions or negotiations related to a contract, transaction or other matter between the district and:

i. the district Board or staff member;
ii. an entity in which the district Board or staff member, or a family member has financial or business interest; or
iii. an entity with which the district Board or staff member has an agency relationship.
iv. "family member" includes a spouse or registered domestic partner, parents, minor or dependent children.

Competing Interests

Competition by a district Board or staff member either directly or indirectly, with the district in the purchase or sale of property or property rights, interests, or services.

Use of Resources

Use of the district's resources (for example, staff, contracts, vendor lists, or equipment) for personal purposes of the district Board or staff member or a family member.

Inside Information

Disclosure or exploitation by a district Board or staff member of information pertaining to the district's business for the personal profit or advantage of such person or a Family Member of such person or a person/entity with whom the district Board or staff member has an agency relationship.

Outside Enterprises

A district Board or staff member's outside employment, or enterprise may be considered a conflict if:
(a) It involves the use, for private gain or advantage, of the district time, facilities, equipment, or supplies.
(b) It involves time demands on the Board or staff member involving any outside employment activity or enterprise that would render the performance of their district duties inefficient.

Extra Compensation (Gifts, Entertainment, Discounts, Etc.)

District Board of staff members must not accept gifts of cash or gifts that directly or indirectly imply an appearance of a transaction having some benefit or monetary value in return for rendering official district duties. This may include, but is not

limited to, personal gifts, free or discounted transportation, lodging, tickets to sporting or entertainment events.

Bribery

Bribery is defined as anything of value or advantage, currently or in the future, or any promise or undertaking to give anything, asked, given, or accepted, with a corrupt intent to influence the actions of a public official, including any district Board or staff member.

Article V: Disclosure & Disqualification Procedure

Upon identifying a possible or confirmed conflict of interest, any Board or staff member must provide written notification to the Chair as soon as is practically possible. Board members and designated staff are required to recuse themselves from any deliberative processes or actions where a potential conflict of interest arises. It is strictly prohibited for any official to utilize their professional standing to influence outcomes that may result in personal gain. Should a member of the Board be deemed to have a conflicting interest in a specific transaction, they are mandated to abstain from participating in the formal vote concerning that matter.

Following disclosure of an actual or potential conflict of interest, the district Board member or designated staff will have the opportunity to disclose the existence of any financial interest and any material facts to the district regarding the proposed transaction or arrangement. The district shall then determine whether an actual conflict of interest exists. Consideration of alternatives to the proposed transaction or arrangement to avoid the conflict of interest may be made.

If it is determined that a district Board member or designated staff is in violation of this code, the Board shall be so informed in writing of the possible violation of this policy.

Failure to disclose or discuss information of the type indicated above may lead to disciplinary action up to and including board censure or staff dismissal. Such disciplinary action shall be undertaken in accordance with District policies.

The district is committed to the fair treatment of all and recognizes the responsibility under state and federal law to protect from punishment and harassment any person who reports a potential ethics issue, whether or not the allegation is found to have merit. The district shall not take any action or threaten any action against any Board member or staff as a reprisal for making a disclosure under this Code.

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Article VI: Disclosure of Financial Interests

(1) In accordance with the Political Reform Act (Government Code §§81000-91015), state and local government agencies must establish and implement a Conflict-of-Interest Code. The standard Conflict of Interest Code found in Title 2, California Code of Regulations, §18730 designates specific members and staff, is incorporated to this policy by reference and is subject to periodic amendments by the Fair Political Practices Commission following public notice and hearings to ensure continued alignment with the Political Reform Act.

(2) Designated Positions

All members of the Board of Directors and staff or designees of the district who are deemed to participate in the making of decisions which may foreseeably have a material effect on a financial interest.

(3) Economic Disclosure Statements.

Designated staff shall file statements of economic interest with the district. As required by the Fair Political Practices Act (Gov't code 81000), an annual Conflict of Interest Statement Form 700 must be completed by each member of the Board of Directors and filed with the Mendocino County Clerk by April 1.

The Board shall semi-annually review this policy, ensuring that any policy amendments shall be adopted by formal Board action and posted to the district website.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — May 14, 2026 DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — May 14, 2026 DATE

Policy 2

California Public Records Act Requests

rev. July 30, 2026

1. Purpose

The purpose of this Policy is to establish procedures for public access to records of the Mendocino Coast Health Care District ("District") in compliance with the California Public Records Act ("CPRA"), Government Code section 6250 et seq. The District recognizes that access to information concerning the conduct of the public's business is a fundamental and necessary right of every person in this state. This Policy is intended to facilitate timely and efficient access to public records while protecting records exempt from disclosure under applicable law. The District shall make public records available for inspection and copying in accordance with the California Public Records Act, unless the records are exempt from disclosure by state or federal law, (California GC section 6250 et seq. GC Section 6253.4, and other applicable state and federal laws governing public records.

2. Definitions

"Public records" include any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by the District regardless of physical form or characteristics (GC section 6252(e)).

"Writing" includes handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing or form of communication or representation.

Certain records may be **exempt** from disclosure including but not limited to: personnel records; attorney-client privileged communications; pending litigation materials; trade secrets; security-sensitive information; and records otherwise protected by federal or state law.

3. Submission of Records Requests

Requests for public records may be submitted in writing; by electronic mail or online form submission; or by US mail. Requests should reasonably describe identifiable records being sought. The District shall respond to requests for records promptly and in accordance with statutory timelines; assist members of the public in identifying records and information responsive to requests; maintain procedures that facilitate access to records; protect

confidential, privileged, or exempt information from improper disclosure; and recover allowable direct costs associated with duplication of records where permitted by law. District staff shall assist requesters in making focused and effective requests by: identifying records responsive to the request; describing information technology or physical locations where records exist; and suggesting ways to overcome practical barriers to disclosure.

4. Response Time

The District shall determine within ten (10) calendar days from receipt of a request whether the request seeks disclosable public records in the possession of the District and shall promptly notify the requester of the determination. The District Administrator or designee shall serve as the Custodian of Records for purposes of administering this Policy.

In unusual circumstances, the District may extend the response period by an additional fourteen (14) calendar days as permitted by GC section 6253(c). The District's response shall include whether records exist; whether records will be disclosed; the estimated date records will be available; and the legal basis for withholding any records or portions thereof. If a record contains both exempt and non-exempt information, the District shall redact exempt portions and disclose the remainder where reasonably segregable.

5. Inspection and Copying of Records

Public records shall be available for inspection during regular business hours at the district administrative office unless exempt from disclosure. No fee shall be charged for inspection of records. Copies of disclosable records shall be provided upon payment of applicable direct duplication costs as authorized by law. When records exist in electronic format, the District shall provide electronic copies when reasonably feasible and consistent with GC section 6253.9.

6. Fees

The District may charge fees authorized by law, including direct costs of duplication; costs of producing electronic records when permitted by law; and statutorily authorized fees for specialized records.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR

July 30, 2026
DATE ADOPTED

ATTEST:

Susan L. Savage

SUSAN SAVAGE, BOARD SECRETARY

July 30, 2026

DATE

MENDOCINO COAST HEALTH CARE DISTRICT

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REQUEST FOR PUBLIC RECORDS

Date requested:	Date required:

Please list each document, file, or record separately

I wish to ☐ Review
☐ Obtain copies of the following public records:

I/We, the undersigned, request documents as indicated and agree to pay the [District] for copies at the rate of $1.00 for the first page and $0.05 for each additional page ($0.10 per page for documents requested pursuant to the Political Reform Act) when I receive or my representative receives them.

Name/Organization: _____

Mailing Address: _____

_____

Phone Number: ( ) _____ Signature: _____

FAX Number: ( ) _____ Email: _____

FOR INTERNAL USE ONLY		
Approved ☐ Denied ☐		Signature:
Reason, if denied:		
Disposition of Request: Documents/response provided on (date)		
By: ☐ Mail ☐ Pick-up ☐ FAX ☐ Email ☐ Delivered ☐ Verbal ☐ Phone		
Date Completed:	Staff Member(s):	Staff Time:

Policy 3

Financial Controls

rev. July 30, 2026

1. Purpose

The Mendocino Coast Health Care District (the "District") is a Special District organized under California Health Care District Law (Health & Safety Code §32000 et seq.) and subject to applicable rules and regulations of the California Department of Health Care Access and Information (HCAI). These procedures establish the internal controls and separation of duties required to safeguard District funds, ensure accurate financial reporting, and maintain public accountability.

The District shall maintain adequate separation of duties in all financial operations. No single individual shall have sole control over any complete financial transaction from initiation through recording. The procedures set forth herein are mandatory and shall be applied consistently by all employees, consultants, and Board members involved in the financial affairs of the District.

2. Separation of Duties – Required Procedures

Assignment of duties shall be structured so that district financial functions are performed by separate individuals to the maximum extent practicable given available staffing. The following procedures shall be established and maintained as the minimum required separation of duties for the District:

(a) Cash Receipts Reporting and Receipt Log

All cashed checks received by the District shall be reported to the Board Treasurer. A receipt log shall be prepared on a monthly basis and provided to the Board of Directors. The receipt log shall be prepared by an employee or consultant who is not assigned to, or employed within, the Finance department of the District. This requirement ensures that the custody of incoming funds is subject to independent review.

(b) Deposit Preparation and Verification

The agency administrator, or designee, shall prepare all deposits. All deposits shall be

made within 2 business days and pursuant to the District's agreement with its banking institution(s). The agency administrator or designee shall maintain a log of each deposit.

(c) Bank Reconciliation
The bank reconciliation for each District account shall be prepared promptly following the close of each calendar month. The reconciliation shall be prepared by an employee or consultant who has no authority to prepare or sign checks, and who has no authority to authorize or initiate other debits against any District account. This independence is essential to detect errors or irregularities on a timely basis.

(d) Invoice Approval Authority
The Board of Directors shall be responsible for authorizing all expenditures and encumbrances on the District treasury. No funds of the District shall be disbursed or obligated except pursuant to authority granted by the Board of Directors, whether by adoption of a budget, by specific resolution, or by other documented Board action. The agency administrator may make expenditures within a Board-approved budget and within any spending limits established by Board policy, subject to the other provisions of these procedures. All invoices presented to the District for payment must receive written approval prior to payment.

(e) Dual Signature Requirement for Transactions Exceeding $10,000
Every check or electronic payment transaction in an amount greater than ten thousand dollars ($10,000) shall require the signatures or electronic authorizations of two (2) persons who are on the list of authorized signers maintained by the District. No single authorized signer may alone execute or authorize any transaction in excess of this threshold.

(f) Prohibition on Incompatible Functions
The same employee, consultant, or Board member shall not be responsible for more than one of the following functions:

a) Collecting invoices and authorizing invoices for payment; Initiating Banking transactions for invoice payment, performed by Treasurer and the District Manager or assignee;
b) Initiating Banking transactions for invoice payment, performed by the District Chief Financial Officer; and
c) Banking Reconciliations, performed by the District Bookkeeping service.

(g) Individual Board Member Spending Prohibition
No individual Board member shall spend, or cause to be encumbered or spent, any District funds without the prior consent of the Board of Directors acting as a body. and documented in writing, which shall become part of the District's permanent record. Verbal or informal approvals from individual Board members do not satisfy this requirement. Any expenditure made or obligation incurred by a Board member in violation of this provision shall be the personal liability of that Board member and shall not be ratified except by affirmative vote of the full Board of Directors.

3. Compliance and Enforcement

Compliance with these procedures is mandatory for all District employees, consultants, and Board members. Violations shall be reported to the Board Treasurer and, as appropriate, the full Board of Directors. The Board of Directors may take such corrective action as it deems appropriate, including referral to appropriate authorities. These procedures shall be reviewed by the Board of Directors at least semi-annually and updated as necessary to reflect changes in law, District operations, or best practices.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR

July 30, 2026
DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY

7/30/26
DATE

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Policy 4

Credit Card Use

April 25, 2024

1. Purpose

The purpose of this policy is to prescribe the internal controls for management of district credit cards.

2. Scope

This policy applies to all individuals who are authorized to use district credit cards and/or who are responsible for managing credit card accounts and/or paying credit card bills.

3. Implementation

A credit card shall be issued to the agency administrator. District Credit cards shall not be issued to or used by members of the Board of Directors. Directors will use their personal credit cards for lawful expenses of the district and seek reimbursement on a form provided by the district for that purpose. (Appendix A)[1]

a) All credit card bills shall be paid timely to avoid late fees and finance charges. The district shall not reimburse for late fees and finance charges.

b) All credit card expenses shall be reasonable and necessary to the furtherance of district business and made in accordance with district policy. No personal expenses shall be charged on a district credit card. If a transaction involves both personal and district business, the credit card holder shall pay for the transaction personally and request reimbursement by the district of the appropriate portion of the expense.

c) All credit card transactions shall have third-party documents (receipts) attached and the district purpose annotated by the cardholder.

d) The Board Chair or Designee shall review and approve credit card transactions by the agency administrator.

[1] Reference Board Policy 12 – Travel and Reimbursement

e) All records of the district involving credit card use, including receipts, invoices, and requests for reimbursement are disclosable public records to be maintained consistently with the district's records management policy.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — April 25, 2024 DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — April 25, 2024 DATE

Expense Reimbursement form for Mendocino Coast Health Care District

Submit this form and supporting documents to: info@mendocinochcd.gov. (Verify current mileage rates with Agency Administrator prior to submission)

Name:

Instructions:
- Only reasonable and allowable expenses will be reimbursed.
- **Receipts for all expenses must be submitted with form.**

Date	Reason for Expense; If travel, List names of meetings, conferences, etc.	Provide vendor information; It travel, provideinformation about which meal, hotel name, rental car company, mileage, etc.	Miles	Amount	
				$0.00	0.655
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
Total Expenses for the month				$0.00	

Signatures Required

OR

Chair of the Board of Directors

Chief Financial Officer

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Policy 5

Investments

rev. October 8, 2026

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POLICY STATEMENT

Mendocino Coast Health Care District ("District") is a California 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. The District (aka MCHCD) was created pursuant to the California Health and Safety Code §32000 to address health care needs in the western portion of Mendocino County. The District is bordered on the west by the Pacific Ocean and includes the City of Fort Bragg and the communities of Westport, Cleone, Caspar, Mendocino, Little River, Albion, Comptche, and Elk. It is governed by an elected five-member board of directors.

The two investment funds of the District are: the **"Treasury Fund"** (comprised of short-term U.S. Treasury Bills and long-term U.S. Treasury Notes) and the

"Operations Fund" (comprised of U.S. Commercial Banks' money market & CD investments and the State of California Local Agency Investment Fund-LAIF deposits). This Investment Policy ("Policy") will ensure that investments purchased by the two District funds are prudently invested to preserve capital and provide necessary liquidity while maximizing earnings.
Policy Investments may only be made in accordance with the principles of prudent investment management and in accordance with the provisions of the California Constitution Article XI §11 and Government Code §53600 et seq., (the Code), which sets forth the investment parameters for local agencies, including special districts, in California.

This policy conforms to the Code as well as to the customary standards of prudent investment management.

INVESTMENT POLICY OBJECTIVES

The objectives of the District's Investment Program are, in order of priority:

1) Protecting District investments is the District's foremost objective. The District's investments shall be undertaken in a manner that seeks to maximize the preservation of capital in the portfolio and minimize the risk related to capital losses.
2) Maintenance of sufficient liquidity to meet cash flow needs.
3) Attainment of the maximum yield possible consistent with the first two primary objectives of this Policy.

To achieve these objectives, The District shall consider the following when making a purchase investment:

The District shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks.

Credit Risk is the risk of loss due to the failure of a security's issuer or backer.
Interest Rate Risk is the risk that the market value of the District's portfolio will fall due to an increase in general interest rates.

Credit Risk
Credit risk will be mitigated by: Limiting investments to only the most creditworthy types of securities defined as "investment grade" by a Nationally Recognized Statistical Rating Organization (NRSRO) including (a). Standard and Poor's Rating Service, (b).

Moody's Investors Service and (c). Fitch Ratings.

Interest Rate Risk
Interest rate risk will be mitigated by: Structuring the District's portfolio so that securities mature to meet the District's cash requirements for ongoing obligations, thereby avoiding the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and
Investing primarily in shorter term securities.

The District's investment portfolio shall be structured in a manner which emphasizes that securities mature at the same time the cash is needed to meet anticipated demands (Static Liquidity). Additionally, since all possible cash demands cannot be anticipated, the portfolio should consist of securities with active secondary markets (Dynamic Liquidity). The maximum percentage of different investment instruments and maturities is described in *Appendix A* of this Policy.

Yield on the District's investment portfolio is of secondary importance compared to the safety and liquidity objectives described above. Investments are limited to relatively low risk securities with the expectation of earning a fair return relative to the risk being assumed. While it may occasionally be necessary or strategically prudent for the District to sell a security prior to maturity to either meet unanticipated cash needs or to restructure the portfolio, this policy specifically prohibits trading securities for the sole purpose of speculating on the future direction of interest rates.

BASIC INVESTMENT STRATEGY
The District shall pursue a "passive" strategy of investment under which investments shall be of "laddered" maturities, facilitating a "buy and hold" process where financial instruments are held until maturity rather than actively bought and sold at various times. An "active" strategy of market timing, sector rotation, indexing to a benchmark and similar strategies are considered inappropriate for the size of the District's portfolio. It is understood that it may be appropriate to sell a particular security prior to maturity to meet unanticipated cash needs. Any such transaction will be reported to the Board of Directors at its next regularly scheduled meeting.

The District's investment portfolio shall be structured to provide that sufficient funds from investments are available each month to meet the District's anticipated cash needs. Subject to the objectives stated above, the choice in investment instruments and maturities shall be based upon an analysis of anticipated cash needs, existing and anticipated revenues, interest rate trends and specific market opportunities. No

investment may have a maturity of more than five (5) years from its date of purchase without receiving prior Board of Directors approval.

INVESTMENTS

This section of the Investment Policy identifies the types of investments in which the District will invest its idle or surplus funds.

STANDARD OF PRUDENCE

The District operates its investment portfolio under the Prudent Investor Standard (California Government Code §53600.3) which states, in essence, that "when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District".

This standard shall be applied in the context of managing the overall portfolio. Investment officers, acting in accordance with written procedures and this

investment policy and exercising the above standard of diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

ALLOWABLE INVESTMENTS

Investment of District funds is governed by California Government Code §53600 et seq. See Appendix A for a listing of “Allowable Investments” and specific concentration limits by type of investment.

The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. If a type of investment is added to California Government Code §53600, it will not be added to the District's listing of Allowable Investments until this policy is amended and approved by the Board of Directors. If a type of investment permitted by the District should be removed from California Government Code §53600, it will be deemed concurrently removed from the District's listing of Allowable Investments, but existing holdings may be held until they mature.

One of the purposes of this Investment Policy is to define what investments are permitted. Ifa type of security is not specifically authorized by this policy; it is not a permitted investment.

DIVERSIFICATION

The District will diversify its investments by security type and investment. The District's CFO will adopt a strategy that combines current market conditions with the District's cash needs to maintain the maximum degree of safety of principal and liquidity throughout market and budgetary cycles. This strategy will include diversification by investment type and maturity allocations and will be included in the regular monthly reports to the Board. This strategy will be reviewed monthly and can be changed accordingly.

CONFIRMATIONS

Receipts for confirmation of purchases or sales of authorized securities shall include at a minimum the following information: trade date, settlement date, description of the security, par value, interest rate, price, yield to maturity, District's name, net amount due and third-party custodial information.

SAFEKEEPING OF SECURITIES

The District shall utilize the United States Department of the Treasury for the safekeeping of securities that are owned in its Treasury Fund as a part of its investment portfolio.

The District's current custodians for its Operations Fund are: (1) the Offices of the various Commercial Banks for its money market & CD deposits and (2) the California State Treasurer's Office for its LAIF investments.

STRUCTURE AND RESPONSIBILITES

This section of the policy defines the overall structure and areas of responsibility within the investment management program.

RE: RESPONSIBILITIES OF THE CFO

The District's CFO is charged with responsibility for maintaining custody of all public funds and securities belonging to or under the control of the District, and for the deposit and investment of those funds in accordance with principles of sound treasury management, applicable laws, ordinances, and this Investment Policy. This includes

establishing written procedures for the operation of the investment program consistent with this policy. The procedures should include reference to safekeeping, master repurchase agreements, wire transfer agreements, banking services contracts and depository agreements. Such procedures shall also include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Board of Directors. However, in accordance with the District's bylaws (Section 4.b.3), the Board Chair will concur with each investment purchase decision prior to execution.

Except as otherwise provided herein, the Board has made a delegation of authority to the interim CFO, Board Chair, and Board Treasurer as set forth in Appendix B.

The current delegation of authority will be provided to all approved financial institutions. They will be notified of any changes to this delegation in a timely fashion and acknowledge receipt.

RE: RESPONSIBILITIES OF THE BOARD OF DIRECTORS
The Board shall consider and adopt a written Investment Policy. As provided in that policy, the Board shall receive, review, and accept monthly investment reports.

ETHICS AND CONFLICT OF INTEREST
The District shall comply with all California conflict of interest laws, including Government Code section 1090 et seq. and Government Code section 87100 et seq.

All District officers and employees or consultants involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or that could impair their ability to make impartial investment decisions. The District's Conflict of Interest Code shall specify those designated employees and consultants, as well as "Code Filers" who shall complete and file an Annual Statement of Economic Interests (Form 700). These individuals must disclose any material financial interests in financial institutions that conduct business within the District, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the District's investments, as specified in the Conflict-of-Interest Code.

REPORTING

The CFO shall prepare a monthly investment report, including a succinct management

summary that provides a clear picture of the status of the current investment portfolio and transactions made. This management summary shall be prepared in a manner that will allow the Board to ascertain whether investment activities during the reporting period have complied with the District's Investment Policy.

The monthly report shall include the following: List of individual securities held at the end of the reporting period showing maturity date, purchase date, par value, cost basis, and interest rate % for each of the District's investments.

PERFORMANCE STANDARDS

The investment portfolio will be managed in accordance with the standards established within this Investment Policy and should obtain a market rate of return throughout budgetary and economic cycles. The CFO and Board Treasurer will establish and periodically review the District's portfolio benchmarks and performance. A benchmark will be selected that compares with the portfolio composition, structure, and investment strategy at that time.

REVIEW OF INVESTMENT POLICY

This Investment Policy shall be reviewed annually by the Board in accordance with State law to ensure its consistency with respect to the overall objectives of safety, liquidity, and yield. A Statement of Compliance of the District's Investment Policy with California Government Code §53600 et seq. should be approved by the Board annually. Proposed amendments to the policy shall be prepared by the interim CFO and Board Treasurer and forwarded to the Board for its consideration and adoption in a public meeting.

Internal Control and Audit Review: The external auditors shall annually review the investments and general activities associated with the investment program to ensure compliance with this Investment Policy. This review will provide internal control by assuring compliance with policies and procedures established by this Investment Policy.

DEFINITIONS

The District’s definitions of terms for its invested portfolio:

Local Agency Investment Fund (LAIF)- a voluntary investment pool that is only available to government entities and certain non-profit organizations in California. The

investment pool funds are managed by the California State Treasurer's Office with short-term money market investments.

United States Treasury Bill (T-bill)- a Treasury bill is a short-term debt obligation and sold by the U.S. Treasury Department with maturity terms of 4, 8, 13, 17, 26 and 52 weeks. It is a low-risk investment as it is backed by the full faith and credit of the United States Government.

United States Treasury Note (T-note) - a Treasury note is a medium-term debt obligation and sold by the United States Treasury Department with maturity terms of 2, 3, 5, 7 and 10 years. It is a low-risk investment as it is backed by the full faith and credit of the United States Government.

Safety - in the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio. The District addresses the concerns of safety by controlling exposure to risks.

Risk - the uncertainty of maintaining the principal and interest associated with an investment due to a variety of factors.

Prudent Management Standard- a standard of conduct where a person acts with care, skill, prudence, and diligence when investing, re-investing, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent person acting in such a situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

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MCHCD provides a hospital and fosters leadership, advocacy and collaboration for our community health and well-being.

ADOPTION OF POLICY

This Policy was duly adopted by the Board of Directors of the Mendocino Coast Health Care District at a Board meeting on the 8th day of October 2026.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR

October 8, 2026

DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY

October 8, 2026

DATE

APPENDIX A - **Allowable Investments**

The District will consider the credit ratings of Moody's, Standard and Poor's, and Fitch in determining eligibility specific to the investment policy. The District's Treasurer and its Strategic Advisor will determine the specific securities selected are consistent with the objectives of the Investment Policy.

#	Type of Investment	Other Restrictions
1	United States Treasury notes, bonds, bills, or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.	Maximum Maturity: 5 years Maximum % of Portfolio: 100%
2	Registered state warrants or notes or bonds of the State of California.	Maximum % of Portfolio: 30% Minimum Quality: ST: A1 or equivalent by any NRSROLT: AA or equivalent by any NRSRO Maximum Maturity: 5 years
3	Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California.	Maximum % of Portfolio: 30% Minimum Quality: ST: A1 or equivalent by any NRSRO LT: AA or equivalent by any NRSRO Maximum Maturity: 5 years
4	Federal agency or United States government-sponsored enterprise ("GSE") obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal	Maximum Total Callables: 25% Maximum Maturity: 5 years

	and interest by federal agencies or United States government-sponsored enterprises.	
5	Bill of exchanges or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances.	Maximum % of Portfolio: 40% Maximum Per Issuer: 30% Maximum Maturity: 180 days Minimum Quality: ST: A1 or equivalent by any NRSRO
6	Commercial Paper	Maximum % of Portfolio: 40% Maximum Outstanding CP of Issuer: 10% Maximum Per Issuer: 5% Maximum Maturity: 270 days Minimum Quality: ST: A1 or equivalent by any NRSRO Must meet all of the criteria of 1 or of 2: 1a. Must be organized and operating in the US as a general corporation 1b. Has total assets greater than $500 million 1c. Has debt other than CP, if any, that is rated A or higher by any NRSRO 2a. Must be organized within the US as a special purpose corporation, trust, or LLC 2b. Has program wide enhancements (over collateralization, letter of credit, etc.) 2c. Has CP that is rated A1 or higher by an NRSRO

#	Type of Investment	Other Restrictions
7	Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank.	Maximum Per Issuer: 10% Minimum Quality: ST: A1 or equivalent by any NRSRO Maximum Maturity: 5 years
8	Time Certificates of Deposit.	The District may invest in non-negotiable time deposits collateralized in accordance with the California Government Code, in those banks and savings and loan associations which meet the requirements for investment in negotiable certificates of deposit.
9	Repurchase Agreements.	Max Maturity: 90 days Repo Agreement must be covered under a Master Repurchase Agreement Must be a Tri-Party Repo Collateral must be at all times: - secured with obligations of the US and Federal agencies (MV of 102% at all times) - valued daily internally or externally The District shall obtain 1st lien and security interest in all collateral. Repurchase agreements shall be executed through Primary Broker-Dealers.

10	Reverse Repurchase Agreements or Securities Lending Agreements.	May be utilized only when all conditions are met: 1. Security to be sold has been owned and fully paid for at least 30 days prior to sale 2. Maximum % of Portfolio: 20% 3. Maximum Maturity: 92 days 4. Funds from a Reverse Repo or Securities Lending agreement shall not be used to purchase a security that has a maturity of greater than 92 days from the settlement of the sale 5. Counterparty Minimum Rating: A or equivalent by any NRSRO
11	Medium-term notes issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating within the United States.	Maximum % of Portfolio: 30% Maximum Per Issuer: 5% Minimum Quality: A or equivalent by all NRSRO's Maximum Maturity: 5 years
12	Mutual Funds/Money Market Mutual Funds: Shares of beneficial interest issued by diversified management companies investing in the securities and obligations as authorized by the State of California Code 53601 and 53630 et seq.	Maximum % of Portfolio: 20% Maximum Per Mutual Fund: 10% / Maximum Per Money Market Mutual Fund: 20% Purchase price may not include any commissions charged by these companies. Companies must have either: -the highest ranking or the highest letter and numerical rating provided by not less than two of the nationally recognized rating services; -retained an investment advisor registered or exempt with the

		Securities and Exchange Commission, with no less than five years of experience investing with assets under management in excess of five hundred million dollars ($500,000,000) in A) Bond Funds: the securities and obligations authorized by State Code 53601 a-k and m-q; or B) Money Market Mutual Funds.
13	State of California Local Agency Investment fund (LAIF).	Maximum investment in LAIF accounts is dependent upon limits established under the Local Agency Investment Fund guidelines.
14	Mortgage and Asset Backed Securities.	Maximum % of Portfolio: 20% Minimum Quality: MBS: AA or equivalent by any NRSRO Minimum Quality: ABS: AA or equivalent by any NRSRO Maximum Maturity: 5 years Must be fixed rate. MBS: Pass-Through securities: -Limited to Government Agency or Government Sponsored issuers -Planned Amortization Classes (PAC) CMOs only ABS: Publicly offered, generic credit card and automobile receivables only. -Deal size must be at least $250 million -Tranche size must be at least $25 million

15	Supranational Securities: US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) eligible for purchase and sale within the US.	Maximum % of Portfolio: 30% Maximum Per Issuer: 10% Minimum Quality: AA or equivalent by any NRSRO Maximum Maturity: 5 years.

APPENDIX B - Delegation of Authority

The following named individuals are hereby designated authority to act as authorized agents of the Mendocino Coast Health Care District to purchase investments in accordance with the District's Investment Policy dated October 8, 2026:

Paul Garza Jr., Board Chair

Lynn Finley, Board Treasurer

Wayne Allen, Chief Financial Officer

The designation shall remain valid until December 31, 2027, unless rescinded or superseded.

Policy 6

Electronic Document Retention

February 29, 2024

The Electronic Document Retention Policy of the Mendocino Coast Health Care District governs the retention of text messages, voicemail messages, social media posts, and email messages sent or received in the conduct of District business.

Article 1. Definitions

Email Message: An electronic communication sent and received via web mail or email client.

Social Media: Information posted to websites and applications that enable users to create and share content or to participate in social networking, e.g. *Facebook, X (Twitter), Instagram, Snapchat,* and *LinkedIn*.

Text Message: An electronic, written communication sent and received via telephone or Internet connection.

Voicemail Message: An electronic, aural communication sent or received via telephone or Internet connection.

Article 2. Text Messages, Voicemail Messages, and Social Media

Text messages, voicemail messages, and social media posts not saved to an archive or a more permanent medium are intended to be ephemeral documents, not preserved in the ordinary course of business. Accordingly, they do not constitute disclosable public records, as that term is defined by Government Code section 6252, subdivision (e). Directors and District staff are not required to retain these electronic documents. Business done on behalf of the District that requires the creation and preservation of records should be conducted in other media.

Article 3. Email Messages

Email messages sent or received by the District's computer systems from the date this policy is adopted will be preserved for two years and made available for public inspection

on the same terms as other District records.

Except as provided in Article 3 below, Directors and District staff are required to use (or copy to an address on) the District's computer systems for all email messages regarding District business. Such email messages fall within point 1 above, i.e., they will be preserved for two years and made available for public inspection on the same terms as other District records.

The District will continue to comply with Government Code § 54957.5 which deems to be a public record any document communicated to a majority of the Directors, whether at the same time or seriatim, with respect to an item of District business regardless of the means of that communication, including via non-District email accounts. Directors are encouraged to forward such email messages not received by the District's computer systems nor copied to its staff or to an email address designated for that purpose so they can be preserved in the District's email retention system, relieving individual Directors of any duty to preserve such email messages or make them available for public inspection.

This policy applies only to the conduct of District business that is subject to the Public Records Act. It has no application to communications to or from Directors in their other public and private capacities or communications to or from District staff that are personal, private or otherwise not District business.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — Feb 29, 2024 — DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — Feb 29, 2024 — DATE

Policy 7

Records Retention

March 28, 2024

Article 1: Purpose

The purpose of this policy is to:

- Provide guidelines to staff regarding the retention or disposal of District records
- Provide for the identification, maintenance, safeguarding and disposal of records in the normal course of business
- Ensure prompt and accurate retrieval of records
- Ensure compliance with legal and regulatory requirements

Article 2: Retention and Disposition of Records

- The Executive Director is authorized by the Board of Directors to implement this policy, and to approve the disposition (recycling or shredding) of any or all records that meet the qualifications governing the retention and disposal of records as defined by the records retention schedule established in Appendices A and B, attached to this policy and incorporated herein by this reference.
- All records listed in Groups 1-4, inclusive, of Appendix B are permanent records of the District and shall not be destroyed.
- All original records identified in the Records Retention Schedule shall be retained in the District offices for the number of years indicated in the retention column in Appendix B.
- An inventory of disposed records shall be retained as a permanent record.
- No records, papers or documents shall be destroyed where there is a continuing need for such records for such matters as holds for pending litigation, special projects, audits, etc.

Records, papers or documents which are not expressly required by law to be filed and preserved may be destroyed if all of the following conditions are met:

- The record, paper or document is photographed, micro-photographed, reproduced on film, or copied to an approved electronic media

- The photographs, micro-photographs, or other reproductions on film are maintained in conveniently accessible and searchable files

Article 3: Non-Records
The following records, if not retained by the District in the ordinary course of business, are exempt from disclosure and may be destroyed at any time without Board authorization or consultation with the General Counsel, as these are considered non-records:

- Duplicated documents (original-subject to aforementioned requirements).
- Rough or preliminary drafts, notes or working papers (except audit), not retained in the ordinary course of business
- Cards, listings, nonpermanent indices, other papers used for controlling work
- or transitory files

Article 4: Record Format
For records existing in paper form, retention periods apply to the original paper copy only unless a digitized version exists in a Trusted System.

Electronic records will be retained as if they were paper documents and are subject to the retention schedule. Therefore, any electronic files, including emails that fall into one of the document types in this Policy shall be maintained for the required amount of time.

Article 5: Confidentiality

The District is committed to ensuring the security and confidentiality of those records within its custody or control that contain personal, private, or proprietary information the District is required by applicable law to protect as confidential. When such records are due to be destroyed under this Policy, they will be shredded, erased, or otherwise modified or destroyed to make them unreadable or indecipherable through any means. All disposed records must be logged onto the District's inventory of disposed records and kept permanently.

Article 6: Legal and Contractual Requirements:

To the extent that any applicable laws or regulations exceed the retention periods in the schedule in Appendix B, the applicable laws will control. Further, to the extent that contractual records retention requirements exceed the retention periods in the retention schedule, the contractual requirements will control. No originals of records related to

open or recently closed contracts and subject to contractual retention requirements may be destroyed without the approval of the Executive Director.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — DATE ADOPTED: March 28, 2024

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — DATE: March 28, 2024

Mendocino Coast Health Care District
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POLICY 7 - APPENDIX A
RECORDS RETENTION & STORAGE DEFINITIONS

1. AUTHORIZATION. Approval from the Executive Director, as authorized by the District's Board of Directors.

2. ACCOUNTING RECORDS. Include but are not limited to the following:
a. SOURCE DOCUMENTS
(1) Invoices
(2) Warrants
(3) Requisitions/Purchase Orders (attached to invoices)
(4) Cash Receipts
(5) Claims (attached to warrants in place of invoices)
(6) Bank Statements
(7) Bank Deposits
(8) Checks
(9) Bills
(10) Various accounting authorizations taken from Board minutes, resolutions or contracts

b. JOURNALS
(1) Cash Receipts
(2) Accounts Receivable or Payable Register
(3) Check or Warrant (payables)
(4) General Journal
(5) Payroll Journal

c. LEDGERS
(1) Expenditure
(2) Revenue
(3) Accounts Payable or Receivable Ledger
(4) Construction
(5) General Ledger
(6) Assets/Depreciation

d. TRIAL BALANCE

e. STATEMENTS (Interim or Certified - Individual or All Fund)
(1) Balance Sheet
(2) Analysis of Changes in Available Fund Balance
(3) Cash Receipts and Disbursements
(4) Inventory of Fixed Assets (Purchasing)

f. JOURNAL ENTRIES

g. PAYROLL and PERSONNEL RECORDS include but are not limited to the following:
(1) Accident reports, injury claims and settlements
(2) Applications, changes or terminations of employees
(3) Earnings records and summaries
(4) Fidelity Bonds
(5) Garnishments
(6) Insurance records of employees
(7) Job Descriptions
(8) Medical Histories
(9) Retirements
(10) Time Cards

h. OTHER
(1) Inventory Records (Purchasing)
(2) Capital Asset Records (Purchasing)
(3) Depreciation Schedule
(4) Cost Accounting Records

3. LIFE. The inclusive or operational or valid dates of a document.

4. RECORD. Any "writing" as defined in Government Code § 6252(f), which includes: any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby

created, regardless of the manner in which the record has been stored that is issued by or received in a department, and maintained and used as information in the conduct of its operations or the public's business.

5. RECORD COPY. The District copy of a document or file.

6. RECORD SERIES. A group of records, generally filed together, and having the same reference and retention value.

7. RECORDS CENTER. The site selected for storage of inactive records.

8. RECORDS DISPOSAL. The planning for and/or the physical operation involved in the transfer of records to the Records Center, or the authorized destruction of records pursuant to the approved Records Retention Schedule.

9. RECORDS RETENTION SCHEDULE. The consolidated, approved schedule list of all District records which timetables the life and disposal of all records.

10. RETENTION CODE. Abbreviation of retention action which appears on the retention schedule.

11. VITAL RECORDS. Records which, because of the information they contain, are essential to one or all of the following:
a. The resumption and/or continuation of operations;
b. The re-creation of the legal and financial status of the District, in case of a disaster;
c. The fulfillment of obligations to bondholders, customers, and employees.
Vital records include but are not limited to the following [detail the records structure of the District, stating the retention time for each class of records. Those times can be drawn from the recommendations of the Secretary of State (http://archives.cdn.sos.ca.gov/local-gov-program/pdf/records-management-8.pdf) or developed with the advice of legal counsel, as there are many laws governing records retention]:

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(1) Agreements
(2) Annexations and detachments
(3) As-built drawings
(4) Audits
(5) Contract drawings
(6) Customer statements
(7) Deeds
(8) Depreciation schedule
(9) Disposal of surplus & excess property
(10) Disposal of scrap materials
(11) District insurance records
(12) District water rights
(13) Employee accident reports, injury claims & settlements
(14) Employee earning records
(15) Employee fidelity bonds
(16) Employee insurance records
(17) Encroachment permits (by others)
(18) Encroachment permits
(19) Facility improvement plans
(20) Improvement districts
(21) Individual water rights
(22) Individual claims/settlements
(23) Inventory
(24) Journal vouchers
(25) Ledgers
(26) Licenses & permits (to operate)
(27) Loans & grants
(28) Maps
(29) Minutes of Board meetings
(30) Payroll register
(31) Policies, Rules & Regulations
(32) Purchase orders & requisitions
(33) Restricted materials permits
(34) Rights of ways & easements
(35) Spray permits
(36) Statements of Economic Interest
(37)
(38)
(39)
(40)

Mendocino Coast Health Care District
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POLICY 7 - APPENDIX B
RECORDS RETENTION & STORAGE SUMMARY

OP = Original or Photographic copy
ES = May be destroyed if stored in electronic media

Group #	Title/Description	Original	Duplicate	Retention Periods
				Retain or destroy
1	Records affecting property or titles thereof	X		ES
2	Records required to be kept permanently by statute	X		ES
3	Minutes, Ordinances and Resolutions of Board	X		ES
4	Documents with lasting Historic, Administrative, Legal, Fiscal or Research Value	X		ES
5	Correspondence, Operational Reports, and information upon which District Policy has been established	X		12 years
6	Duplicates of #5 above when retention is necessary for reference	X		2 years
7	Records requiring retention for more than 5 years, but no more than 15 years by statute or administrative value	X		15 years
8	Duplicates needed for Administrative purposes for 5 to 10 years		X	15 years
9	All other original District records, or instruments, books or papers that are considered public documents not included in Groups 1 through 8.	X		3 years
10	Duplicates and other documents not public records required to be maintained for administrative purposes.	X	X	5 years

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Group #	Title/Description	Original	Duplicate	Retention Periods
				Retain or destroy
11	Duplicate records requiring retention for administrative purposes such as reference material for making up budgets, planning and programming.		X	3 years
12	Reference files (copies of documents which duplicate the record copies filed elsewhere in the District; documents which require no action and are non-record; rough drafts, notes, and similar working papers accumulated in preparation of a communication, study or other document, and cards, listings, indexes and other papers used for controlling work).		X	1 year
13	Transitory files, including letters of transmittal (when not a public record), suspense copies when reply has been received, routine requests for information and publication, tracer letters, and other duplicate copies no longer needed.	X	X	3 months
14	Original documents disposable upon occurrence of an event or an action (i.e., audit, job completion, completion of contract, etc.) or upon obsolescence, supersession, revocation	X		5 years
15	Policy files and reference sets of publications		X	Indefinite
16	Duplicates or non-record documents required for administrative needs but destroyable on occurrence of an event or an action		X	Indefinite

Mendocino Coast Health Care District
to ensure local access to health care

POLICY 7 - APPENDIX B
RECORDS RETENTION & STORAGE SUMMARY

OP = Original or Photographic copy
ES = May be destroyed if stored in electronic media

Group #	Title/Description	Original	Duplicate	Retention Periods		
				Office	Record Center	Retain or destroy
1	Records affecting property or titles thereof	X		2 years	OP	ES
2	Records required to be kept permanently by statute	X		2 years	OP	ES
3	Minutes, Ordinances and Resolutions of Board	X		2 years	OP	ES
4	Documents with lasting Historic, Administrative, Legal, Fiscal or Research Value	X		2 years	OP	ES
5	Correspondence, Operational Reports, and information upon which District Policy has been established	X		2 years	10 years	12 years
6	Duplicates of #5 above when retention is necessary for reference	X		2 years		2 years
7	Records requiring retention for more than 5 years, but no more than 15 years by statute or administrative value	X		2 years	13 years	15 years
8	Duplicates needed for Administrative purposes for 5 to 10 years		X	2 years	13 years	15 years
9	All other original District records, or instruments, books or papers that are considered public documents not included in Groups 1 through 8.	X		2 years	1 year	3 years
10	Duplicates and other documents not public records required to be maintained for administrative purposes.	X	X	2 years	3 years	5 years

Mendocino Coast Health Care District
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Group #	Title/Description	Original	Duplicate	Retention Periods		
				Office	Record Center	Retain or destroy
11	Duplicate records requiring retention for administrative purposes such as reference material for making up budgets, planning and programming.		X	3 years		3 years
12	Reference files (copies of documents which duplicate the record copies filed elsewhere in the District; documents which require no action and are non-record; rough drafts, notes, and similar working papers accumulated in preparation of a communication, study or other document, and cards, listings, indexes and other papers used for controlling work).		X	1 year		1 year
13	Transitory files, including letters of transmittal (when not a public record), suspense copies when reply has been received, routine requests for information and publication, tracer letters, and other duplicate copies no longer needed.	X	X	3 months		3 months
14	Original documents disposable upon occurrence of an event or an action (i.e., audit, job completion, completion of contract, etc.) or upon obsolescence, supersession, revocation	X		2 years	3 years	5 years
15	Policy files and reference sets of publications		X	Indefinite		Indefinite
16	Duplicates or non-record documents required for administrative needs but destroyable on occurrence of an event or an action		X	Indefinite		Indefinite

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MCHCD

MENDOCINO COAST HEALTH CARE DISTRICT

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Policy 8

Purchasing

April 25, 2024

1. To purchase small items — such as office supplies, auto parts, and other miscellaneous items costing less than $1,000 — vendors will be asked to submit pricing information by telephone or written quotation. District accounts are then awarded to those firms that provide the best price, discount, service, etc. Acquisitions are processed on purchase order forms that list instructions to vendors.

2. To purchase items costing more than $1,000 and up to $20,000 quotations will be solicited from vendors and received by telephone or written quotation. Quotations will be solicited from at least two sources before selecting a supplier and processing a purchase order. The Chair of the Board of Directors or the CFO must approve purchase orders.

3. For items over $20,000 or orders of large quantities, the District will provide suppliers with a list of items to be purchased. Suppliers will provide written quotes for consideration and recommendation. District staff will then present written quotes to the Board of Directors for award of contract. Items on the list will be purchased from the supplier quoting the lowest prices, with an acceptable delivery date.

4. Vehicles will be purchased through the State's Contract for Fleet Vehicles, unless they can be acquired at the same cost or less expensively from local sources by competitive quotation bids in accordance with section 2.

5. This policy covers the purchase of goods, not services and not public works construction services. Those matters are addressed in other policies of the District.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR

April 25, 2024

DATE ADOPTED

MCHCD

MENDOCINO COAST HEALTH CARE DISTRICT

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ATTEST:

Susan L. Savage — April 25, 2024

SUSAN SAVAGE, BOARD SECRETARY — DATE

Capital Improvements Reserve
Capital Improvements Reserves shall be limited to costs related to making changes to improve capital assets, increase their useful life, or add to the value of these assets.

Operations/Repair & Administrative Operations Reserve
Operational Reserves shall be utilized to support:

- Administrative operational functions, including minimal staffing levels and administrative/office expenses;
- facility operations;
- facility repairs (distinguished from Capital Improvements and may include painting, caulking of seams, roof repairs, HVAC repairs, patching of walls, etc.).

F. Monitoring Reserve Levels

The General Manager, in collaboration with the Chief Financial Officer shall perform a reserve status analysis annually, to be provided to the Board of Directors' annual deliberation/approval of Budget and Reserve Funds.

Additional information may be provided to the Board of Directors upon the occurrence of the following events:

a) When a major change in conditions threatens the reserve levels established by this policy or calls into question the effectiveness of this policy;
b) Upon General Manager and/or Board request.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — April 25, 2024 DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — April 25, 2024 DATE

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Policy 10

Reserve Funds

April 25, 2024

1. Purpose

The Mendocino Coast Health Care District, (the District) shall maintain reserve funds from existing unrestricted funds as designated by the District's Reserve Policy. This policy establishes the procedure and level of reserve funding to achieve the following specific goals:

a) Fund replacement and major repairs for the District's physical assets.
b) Fund regular replacement of computer hardware and software.
c) Fund designated conservation projects/programs or other special uses not otherwise funded by grants or requiring additional monetary support;
d) Fund capital improvements; and
e) Maintain minimal operational sustainability in periods of economic uncertainty.

The District shall account for reserves as required by Governmental Accounting Standards Board Statement No. 54, which distinguishes reserves as among these classes: non-spendable, restricted, committed, assigned and unassigned. The reserves stated by this policy, unless otherwise required by law, contract, or District policy shall be deemed "assigned" reserves.

2. Policy

Use of District Reserves is limited to available "Unrestricted" Funds (not obligated by law, contract or agreement), including donations, interest earned, fees for service or other non-grant earnings. All special use funds will be designated by formal action of the Board of Directors.

A. Technology Reserve

Technology Reserves will accumulate from existing unrestricted funds at a rate of $4,000 annually. The maximum amount of Technology Reserves will be $20,000. When the annual accumulation would increase the Reserve beyond $20,000, only the amount required to reach the maximum will be reserved.

B. Designated Project/Special Use Reserve
Designated Project/Special Use Reserves will accumulate from existing unrestricted funds at a rate of $10,000 annually. The maximum amount of Designated Project/Special Use Reserve will be $50,000. When the annual accumulation would increase the Reserve beyond $50,000, only the amount required to reach the maximum will be reserved.

C. Capital Improvement Reserve
Capital Improvements Reserve will accumulate from existing unrestricted funds at a rate of [$25,000] annually. The maximum amount of Capital Improvement Reserves will be [$100,000]. When the annual accumulation would increase the Reserve beyond [$100,000], only the amount required to reach the maximum will be reserved.

D. Repair/Operations & Administrative Operations Reserve
Facility & Administrative Operations Reserves will accumulate from existing unrestricted funds at a rate of [$260,000] annually. The maximum amount of Facility & Administrative Operations Reserves will be [$780,000]. When the annual accumulation would increase the Reserve beyond [$780,000] (equivalent of three years of Operations Reserves), only the amount required to reach the maximum will be reserved.

Total All Reserve Funds:
The total amount of Reserves designated annually from all funds shall be [$309,000] with a cumulative accrual cap of [$1,000,000].

E. Using Reserve Funds
Vehicle Fleet Reserve
Vehicle Fleet Reserves will be used exclusively for the purchase of new vehicles to support District operations, or to make major repairs to existing vehicles.

Technology Reserve
Technology Reserves will be used to purchase hardware and software in support of District operations, with the intent of maintaining a modern technology for employees.

Designated Project/Special Use Reserve
Projects, programs or special uses will be identified by the General Manager and/or the Board of Directors and approved by the Board. Uses must further the mission of the District and will be evaluated for designation according to value to the District and the people it serves.

Capital Improvements Reserve
Capital Improvements Reserves shall be limited to costs related to making changes to improve capital assets, increase their useful life, or add to the value of these assets.

Operations/Repair & Administrative Operations Reserve
Operational Reserves shall be utilized to support:

- Administrative operational functions, including minimal staffing levels and administrative/office expenses;
- facility operations;
- facility repairs (distinguished from Capital Improvements and may include painting, caulking of seams, roof repairs, HVAC repairs, patching of walls, etc.).

F. Monitoring Reserve Levels

The General Manager, in collaboration with the Chief Financial Officer shall perform a reserve status analysis annually, to be provided to the Board of Directors' annual deliberation/approval of Budget and Reserve Funds.

Additional information may be provided to the Board of Directors upon the occurrence of the following events:

a) When a major change in conditions threatens the reserve levels established by this policy or calls into question the effectiveness of this policy;
b) Upon General Manager and/or Board request.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — April 25, 2024 DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — April 25, 2024 DATE

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Policy 11

Code of Ethics

April 25, 2024

1. Background information

The Mendocino Coast Health Care District designed its Code of Ethics & Values (the "Code") to provide clear, positive statements of ethical behavior reflecting the core values of the District and the communities it serves. The Code includes practical strategies for addressing ethical questions and a useful framework for decision-making and handling the day-to-day operations of the District. The Code is developed to reflect the issues and concerns of today's complex and diverse society.

2. Goals of the code of ethics & values

a) To make the Mendocino Coast Health Care District a better District built on mutual respect and trust.
b) To promote and maintain the highest standards of personal and professional conduct among all involved in District government, District staff, volunteers and members of the District's Board. All elected and appointed officials, officers, employees, members of advisory committees, and volunteers of the District, herein called "Officials" for the purposes of this policy.
c) The Code is a touchstone for members of District Board and staff in fulfilling their roles and responsibilities.

3. Preamble

The proper operation of democratic government requires that decision-makers be independent, impartial and accountable to the people they serve. The Mendocino Coast Health Care District has adopted this Code to promote and maintain the highest standards of personal and professional conduct in the District's government.

All Officials, and others, who participate in the District's government are required to subscribe to this Code, understand how it applies to their specific responsibilities and practice its eight core values in their work. Because we seek public confidence in the District's services and public trust of its decision-makers, our decisions and our work must meet the most demanding ethical standards and demonstrate the highest levels of achievement in following this Code.

4. Applicability
This Code shall apply to all District Officials as defined in Section 2.

5. Core Values
As participatory and representative Officials in the District's government, we subscribe to the following Core Values:

As a representative of the Mendocino Coast Health Care District, I will be ethical.
In practice, this value looks like:

- I am trustworthy, acting with the utmost integrity and moral courage. I am truthful. I do what I say I will do. I am dependable.
- I make impartial decisions, free of bribes, unlawful gifts, narrow political interests, financial, and other personal interests that impair my independence of judgment or action.
- I am fair, distributing benefits and burdens according to consistent and equitable criteria.
- I extend equal opportunities and due process to all parties in matters under consideration. If I engage in unilateral meetings and discussions, I do so without making voting decisions or any improper or unauthorized representations on behalf of the District.
- I show respect for persons, confidences, and information designated as "confidential."
- I use my title(s) only when conducting official District business for information purposes or as an indication of background and expertise carefully considering whether I am exceeding or appearing to exceed my authority.
- I will avoid actions that might cause the public or others to question my independent judgment.
- I maintain a constructive, creative, and practical attitude toward the District's affairs and a deep sense of social responsibility as a trusted public servant.

As a representative of the Mendocino Coast Health Care District, I will be professional.
In practice, this value looks like:

- I apply my knowledge and expertise to my assigned activities and to the interpersonal relationships that are part of my job in a consistent, confident, competent and productive manner.

- I approach my job and work-related relationships with a positive, collaborative attitude.
- I keep my professional education, knowledge, and skills current and growing.

As a Representative of the Mendocino Coast Health Care District, I will be service-oriented.
In practice, this value looks like:
- I provide friendly, receptive, courteous service to everyone.
- I attune to and care about the needs and issues of citizens, public Officials and District workers.
- In my interactions with constituents, I am interested, engaged and responsive.

As a representative of the Mendocino Coast Health Care District, I will be fiscally responsible.
In practice, this value looks like:
- I make decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the District, especially its financial stability.
- I demonstrate concern for the proper use of District assets (e.g., personnel, time, property, equipment, funds) and follow established procedures.
- I make good financial decisions that seek to preserve programs and services for District residents.
- I have knowledge of and adhere to the District's Purchasing and Contracting and Allocation of Funds Policies.

As a representative of the Mendocino Coast Health Care District, I will be organized.
In practice, this value looks like:
- I act in an efficient manner, making decisions and recommendations based upon research and facts, taking into consideration short- and long-term goals.
- I follow through in a responsible way, keeping others informed and responding in a timely fashion.
- I am respectful of established District processes and guidelines.

As a representative of the Mendocino Coast Health Care District, I will be communicative.
In practice, this value looks like:
- I positively convey the District's care for and commitment to its citizens.

- I communicate in various ways, that I am approachable, open-minded, and willing to participate in dialog.
- I engage in effective two-way communication, by listening carefully, asking questions, and determining an appropriate response which adds value to conversations.

As a representative of the Mendocino Coast Health Care District, I will be collaborative.
In practice, this value looks like:
- I act in a cooperative manner with groups and other individuals, working together in a spirit of tolerance and understanding.
- I work towards consensus building and gain value from diverse opinions.
- I accomplish the goals and responsibilities of my individual position, while respecting my role as a member of a team.
- I consider the broader regional and state-wide implications of the District's decisions and issues.

As a representative of the Mendocino Coast Health Care District, I will be progressive.
In practice, this value looks like:
- I exhibit a proactive, innovative approach to setting goals and conducting the District's business.
- I display a style that maintains consistent standards; but is also sensitive to the need for compromise, "thinking outside the box" and improving existing paradigms when necessary.
- I promote intelligent and thoughtful innovation in order to forward the District's policy agenda and District services.

6. Enforcement

Any Official found to be in violation of this Code may be subject to Censure by the District Board. Any member of any advisory Committee found in violation may be subject to dismissal from the Committee. In the case of an employee, appropriate action shall be taken by the agency administrator or by an authorized designee.

MCHCD

MENDOCINO COAST HEALTH CARE DISTRICT

MCHCD provides a hospital and fosters leadership, advocacy and collaboration for our community health and well-being.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — April 25, 2024 DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — April 25, 2024 DATE

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Policy 12
Travel and Reimbursement

September 26, 2024

The purpose of this policy is to establish a travel and expense reimbursement policy for the Mendocino Coast Health Care District (the District). This policy applies to both Board Members and employees who incur actual and necessary expenses in the performance of official duties, including attendance at business or professional conferences and training seminars on behalf of the District, or other travel on authorized District business. In this policy, the term "employee" includes contractors for the District for whom the District reimburses expenses.

It is the intent of the District to assure compliance with IRS regulations and California Government Code Section 53232.2 specifically relating to Board member reimbursements.

Authorization of Board Expenses

It is in the best interests of the District to maintain Board member participation in professional, community and industry organizations. Expenses incurred by members of the Board of Directors in attending meetings and conferences of the following organizations and functions are hereby designated as reimbursable:

1.1 Meetings of organizations in which the District is an active member (e.g. Association of California Health Care Districts, California Special Districts Association).

1.2 Meetings directly related to the conduct of District business. Included in this category are groundbreaking and special events sponsored by healthcare organizations, both governmental and non-profit, receiving financial support from the District.

1.3 Meetings of non-political community groups that extend a specific invitation to attend and at which the Board member actively participates in the program.

1.4 Attendance at symposia and educational events, the primary purpose of which is to elucidate or update industry members on health care issues or matters relating to special districts or district board administration.

All other expenditures by Board members require specific prior approval at a regular meeting of the Board.

Authorization of Employee Expenses

Attendance by employees at events approved for Board attendance is appropriate, subject to prior approval by the General Manager or designee. In addition, special training sessions and other unique one-time meetings or situations may be pre-approved by the General Manager or designee on a case-by-case basis.

PROCEDURE
Reimbursement of business-related expenses pursuant to this policy is usually not considered income to the person seeking reimbursement; however, all requests for reimbursement must be substantiated, including documentation of the reason for the expense, accompanied by itemized expenses with original receipts, prior to reimbursement.

1. Required Forms and Procedures
The General Manager or designee, will establish such forms as are necessary and appropriate to provide accurate records of travel requests and travel expense reimbursement. It is the responsibility of the individual seeking reimbursement to obtain and submit documentation for every expense. Reimbursement of expenses incurred pursuant to this policy or with prior board approval, shall be made upon submission of appropriate expense forms and receipts. Applicable receipts must be submitted with the board member or employee's name and nature of the business documented.

2. Per Diem Transportation Expenses
Use of air, train, private car or bus shall be selected on the basis of the most reasonable and appropriate method, taking into consideration distance, time and total costs to the District, after all expense items are tabulated. If the use of a personal automobile is required for approved District business, the District will reimburse for mileage at the prevailing IRS reimbursement rate on a per vehicle basis, regardless of the number of passengers. Use of a privately owned vehicle on District business requires the driver to possess a valid California driver's license and to carry the minimum automobile insurance required by law, and the District retains the right to request proof of insurance. Any damages to a personal vehicle or service repairs are of a personal nature, and are not reimbursed by the District. Expenses such as tolls and parking will be fully reimbursed upon presentation of the receipt. When the use of public air carrier

transportation is approved, travel for all personnel shall be in coach class or equivalent service.

While traveling, the use of rental vehicles is discouraged. Courtesy shuttle service, buses, or limousine service should be utilized between airports and meeting locations. When rental vehicles are used, the least expensive vehicle practical will be used.

3. Meal Expenses
The maximum daily meal allowance is $80.00 (which includes taxes and tips) per person, per day, as established by the United States General Services Administration. Expenses shall not exceed the daily meal limit amounts set, regardless of the amount of receipts submitted. Meals that are included in conference registration fees will not be an allowable expense. If the rates set by the United States General Services Administration exceed those established in this policy, the federal government rates/allowances shall supersede.

4. Lodging Expenses
The cost of lodging accommodations for approved conferences, seminars or meetings will be arranged in advance directly by the District staff or reimbursed to the Board Member or employee as outlined in the following paragraphs. In the case of advance arrangements approved by the General Manager, a check will be issued to the traveler prior to departure which will cover all hotel/motel charges, including parking.

Hotel and motel charges shall be based on single occupancy rates, and to the extent possible will be at government or group rates. The District will not reimburse Board Members or employees for lodging expenses incurred by family members when an Board Member's or employee's family accompanies them, or for any charges for additional guests in the same room. In instances where conference hotels are filled, the Board Member or employee should attempt to secure comparable rates at the nearest hotel.

5. Unauthorized Expenses
Items of personal nature are not reimbursable including: movies, entertainment, premium television services, alcoholic beverages, dry-cleaning, spas, gyms, barber, magazines, shoeshine, travel insurance, purchase of clothing or toiletries, loss of tickets, fines or traffic violations, excess baggage, spouse and/or guest accommodations, office equipment and other personal items. Quasi-social events such as retirement or political events are not reimbursable.

If unauthorized expenses have been paid by the District, (i.e., via credit card or petty cash), the Board member or employee will be responsible for immediate reimbursement to the District, either by personal check or an authorized payroll deduction. Unauthorized expenses that are not immediately reimbursed shall be classified as income to the person reimbursed and may be prohibited by law.

6. Reports
Pursuant to Government Code § 53232.3, Board Members shall make a brief report on meetings or events attended for which expenses are reimbursed, at the next regular meeting of the Board.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — September 26, 2024 DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — September 26, 2024 DATE

Expense Reimbursement form for Mendocino Coast Health Care District

Submit this form and supporting documents to: info@mendocinochcd.gov. (Verify current mileage rates with Agency Administrator prior to submission)

Name:

Instructions:
- Only reasonable and allowable expenses will be reimbursed.
- **Receipts for all expenses must be submitted with form.**

Date	Reason for Expense; If travel, List names of meetings, conferences, etc.	Provide vendor information; It travel, provideinformation about which meal, hotel name, rental car company, mileage, etc.	Miles	Amount	
				$0.00	0.655
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
				$0.00	
Total Expenses for the month				$0.00	

Signatures Required

OR

Chair of the Board of Directors

Chief Financial Officer

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Policy 13
Ad Hoc and Advisory Committees

May 22, 2025

Ad Hoc Committees

Ad hoc or "temporary" committees have a defined purpose to evaluate and report on a particular issue or subject relevant to the MCHCD Board, and a time frame to accomplish that purpose, (generally 1 year or less).

Ad hoc committees consist of a subset of Board members who do not represent a quorum of the MCHCD Board and are advisory (only) to the MCHCD Board. The committee is not delegated any decision-making power and will return to the full MCHCD Board with its recommendation. Once committee work is completed, the ad hoc committee is disbanded. At any time, the Board Chair may deem the ad hoc's purpose complete and disband the committee.

Ad hoc committees are not subject to the notice and posting requirements of the Ralph M. Brown Act so long as the committee is comprised solely of less than a quorum of members of the District Board. However, should any person other than an existing Board member be appointed to the ad hoc committee, then the committee must operate under the notice, public participation and posting requirements of the Brown Act.

Members of ad hoc committees designed to be advisory to the Board as a whole may be appointed by the Board Chair, on behalf of the entire board, or by action of the entire board. The action to create the committee should be done at a publicly noticed meeting under the Act and the item should be placed on an agenda for that purpose.

Advisory Committees That Are Not Subject to the Brown Act

Advisory committees made up of non-board members are not subject to the Brown Act if they advise only one decision-maker, not the entire board. According to the Attorney General, such committees are not officially "created" by the legislative body if they report to a single board member or officer. For example, a board member (outside of a public meeting) can ask a group of stakeholders to research an issue and report back to that Board member only. The board member can then use the findings to make a recommendation or start a discussion. As long as the committee is not created by official action of the Board itself, and does not interact with other Board members, it is not subject to the Brown Act.

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Implementing Projects

Project groups are not considered committees under the Brown Act, so their gatherings are not "meetings" under the Act. For example, if the Board approves a project, the group carrying it out is not holding a meeting. This also applies to tasks like buying supplies, or community outreach.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — May 22, 2026 DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — May 22, 2026 DATE

Policy 14
Standing Finance Advisory Committee

May 22, 2025

Definition
The Finance Advisory Committee is a standing committee of the Mendocino Coast Health Care District (MCHCD), established in the Board Bylaws to provide financial oversight and recommendations to the Board. The Committee operates in accordance with MCHCD Bylaws and is subject to the Ralph M. Brown Act.

Purpose
The Finance Advisory Committee provides independent review and advice on financial matters affecting the District. The purpose of the Committee includes, but is not limited to:

- Ensuring an annual independent audit is performed;
- Presenting a recommended annual budget to the Board each June for adoption;
- Recommending and overseeing fiscal policies, investment strategies, and accounting and budgeting practices;
- Reviewing monthly and quarterly financial statements;
- Reviewing and receiving reports from the Measure C Oversight Committee;
- Supporting long-term financial planning and sustainability of the District.

Membership and Structure
The Committee shall be chaired by the Board Treasurer. Membership shall include not more than two Board members and up to six members of the public with relevant expertise or interest in public finance, healthcare, or governance. Members shall be appointed by the Board Chair with ratification by the full Board at a publicly noticed meeting. The Committee shall meet at least quarterly, or more often as necessary, and shall report to the Board following each meeting. The District Manager or consultant, and/or Chief Financial Officer shall serve as staff support.

Reporting and Compliance
The Finance Advisory Committee serves in an advisory capacity only and holds no decision-making authority. The Committee is subject to the notice, agenda, public participation, and open meeting requirements of the Ralph M. Brown Act. All recommendations shall be forwarded to the full Board for consideration and possible action.

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APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — May 22, 2025 DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — May 22, 2025 DATE

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Policy 15

Standing Planning Advisory Committee Policy

rev. March 12, 2026

1. Definition

The Planning Advisory Committee is a standing committee of the Mendocino Coast Health Care District (MCHCD), established in the Board Bylaws to support the MCHCD Board in developing informed recommendations regarding the future of the District's hospital facility, especially in relation to seismic compliance, infrastructure modernization, and long-term strategic facility planning. The Committee operates in accordance with MCHCD Bylaws and is subject to the Ralph M. Brown Act.

2. Purpose

The Planning Committee may:
i. Monitor the implications of a seismic retrofit of the hospital;
ii. Develop a recommendation for a 5-year plan of the Board.

3. Membership and Structure

The Planning Advisory Committee shall be chaired by the Board Vice-Chair. Membership shall include not more than two Board members and up to six members of the public with relevant expertise or interest in public finance, healthcare, or governance. Members shall be appointed by the Board Chair with ratification by the full Board at a publicly noticed meeting. The Committee shall meet at least quarterly, or more often as necessary, and shall report to the Board following each meeting. The District Manager or consultant, and/or Chief Financial Officer shall serve as staff support, and as liaison to operating partner Adventist Health to preserve Adventist Health's effective participation while maintaining proprietary business intelligence and medical confidentiality and shall report to the Board.

4. Reporting and Compliance

The Planning Advisory Committee serves in an advisory capacity only and holds no decision-making authority. The Committee is subject to the notice, agenda, public participation and open meeting requirements for Standing Committees under the Ralph M. Brown Act. All recommendations shall be forwarded to the full Board for consideration and possible action. To comply with the Public Records Act and other applicable law, issues involving Adventist Health's proprietary business information must be addressed at the staff-to-staff level to preserve Adventist Health's proprietary rights and prevent violations of applicable law.

Minutes of all meetings shall be maintained and included in subsequent Board packets.

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APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — March 12, 2026 DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — March 12, 2026 DATE

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Policy 16

Measure C Citizen's Oversight Committee

May 22, 2025

Definition

Measure C was enacted to support essential healthcare services in the Mendocino Coast Health Care District. The parcel tax is $144 per parcel annually, approved for twelve years beginning July 1, 2018, and is subject to independent taxpayer oversight.

The Measure C Citizen's Oversight Committee is a standing oversight body established by ballot measure, to review and monitor the Mendocino Coast Health Care District's expenditures of the Measure C parcel tax funds. Funds shall be deposited in a separate Measure C account.

The Committee shall ensure Measure C funds are spent according to the provisions of the ballot measure. The Committee shall further ensure that no Measure C revenue is used by the District for administrative salaries, benefits, or pensions.

Purpose

The Measure C Citizen's Oversight Committee serves in an advisory capacity only. The Committee's purpose is to make determinations that all Measure C spending aligns with the intent and requirements set forth in the Measure C ballot language approved by voters in 2018. The Citizen's Oversight Committee is responsible for reviewing capital expenditure financial reports, confirming that expenditures align with authorized purposes, and reporting its findings annually to the District Board. The Committee does not make spending decisions or recommend specific purchases.

Membership and Structure

Members shall be appointed to the Committee by the MCHCD Board Chair with ratification by the full Board at a publicly noticed meeting. The Committee shall include no more than 5 members of the public with relevant expertise or interest in public finance, healthcare, or governance. The Committee Chair shall be elected by the Committee at the beginning of each fiscal year.

The Committee shall meet at least quarterly, or more often as necessary, and shall report to the Board following each meeting. The District Manager or consultant, and/or Chief Financial Officer shall serve as staff support.

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Reporting and Compliance

The Committee is subject to the notice, agenda, public participation and open meeting requirements of the Ralph M. Brown Act. The Committee will provide a written Annual Report to the Board in open session that states the amount of Measure C funds collected and expended, within 60 days after the Fiscal Year ends.

Minutes of all committee meetings shall be maintained and included in subsequent Board packets.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — May 22, 2025 DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — May 22, 2025 DATE

FULL TEXT OF MEASURE C

MENDOCINO COAST HEALTH CARE DISTRICT
HEALTHCARE FUNDING MEASURE C

INTRODUCTION AND PURPOSE

To provide funding for maintaining emergency room services, attracting and retaining high quality doctors and nurses, maintaining ambulance and related 911 services and providing essential healthcare to residents of Mendocino County, with no proceeds used for administrators' salaries, benefits and pensions, the Mendocino Coast Health Care District ("District") proposes a healthcare parcel tax for a period of twelve years starting on July 1, 2018 at a rate of $144 per parcel per year, and to implement accountability measures, including independent taxpayer oversight, to ensure the funds are used to help:

• Maintain local emergency room services;

• Attract and retain high quality doctors and nurses;

• Maintain local ambulance and related 911 services;

• Make critical repairs and upgrades to medical equipment and facilities;

• Maintain local surgical services; and

• Maintain local obstetric services.*

The proceeds of the healthcare parcel tax shall be deposited into a separate account created by the District.

DEFINITION OF "PARCEL"

For purposes for the healthcare parcel tax, the term "Parcel" means any parcel of land which lies wholly or partially within the boundaries of the Mendocino Coast Health Care District, that receives a separate tax bill for *ad valorem* property taxes from the Mendocino County Assessor/Tax Collector, as applicable. All property that is otherwise exempt from or upon which are levied no *ad valorem* property taxes in any year shall also be exempt from the healthcare parcel tax in such year.

For purposes of this healthcare parcel tax, any such "Parcels" which are (i) contiguous, and (ii) used solely for owner-occupied, single-family residential purposes, and (iii) held under identical ownership may, by submitting to the District an application of the owners thereof by June 15 of any year, be treated as a single "parcel" for purposes of the levy of the healthcare parcel tax.

REDUCTION IN TAX IF RESULT IS LESS OTHER GOVERNEMENT SUPPORT

The collection of the healthcare parcel tax is not intended to decrease or offset any increase in local, state or federal government revenue sources that would otherwise be available to the District during the period of the healthcare parcel tax. In the event that the levy and collection does have such an effect, the District may cease the levy or shall reduce the healthcare parcel tax to the extent that such action would restore the amount of the decrease or offset in other revenues.

ACCOUNTABILITY MEASURES

The following accountability measures, among others, shall apply to the healthcare parcel tax: (a) the specific purposes of the healthcare parcel tax shall be those purposes identified above; (b) the proceeds of the healthcare parcel tax shall be applied only to those specific purposes identified above; (c) a separate, special account shall be created into which the proceeds of the healthcare parcel tax must be deposited; and (d) an annual written report shall be made to the Board of Directors of the District showing (i) the amount of funds collected and expended from the proceeds of the healthcare parcel tax and (ii) the status of any projects or programs required or authorized to be funded from the proceeds of the healthcare parcel tax, as identified above. In addition to the accountability measures required by law, if any, the District will establish an independent

FULL TEXT OF MEASURE C – continued

taxpayer oversight committee to provide oversight as to the expenditure of healthcare parcel tax revenues.

s/Steve Lund
President, Board of Directors
Mendocino Coast Health Care District

ATTEST:
s/ Peter Glusker, MD, Ph.D
Secretary, Board of Directors
Mendocino Coast Health Care District

IMPARTIAL ANALYSIS
MEASURE C

A Measure by the Mendocino Coast Healthcare District to Levy a Healthcare Parcel Tax for Emergency Room and Other Health Care Services

This Measure was placed on the ballot by the Mendocino Coast Health Care District's ("District") Board of Directors to seek voter approval to create a special tax of $144.00 per parcel for each parcel of taxable real property within the District each year for a period of twelve (12) years, beginning July 1, 2018. The District estimates that the annual parcel tax revenues will be $1.7 million dollars.

"Parcel" means any parcel of land which lies wholly or partially within the boundaries of the District.

The purpose of the parcel tax is to provide funding to help maintain local emergency room services, attract and retain high quality doctors and nurses, maintain local ambulance and related 911 services, make critical repairs and upgrades to medical equipment and facilities, maintain local surgical services, and maintain local obstetric services. The revenue raised by the special tax may only be used for those purposes described in the full text of the measure ("Full Text") and cannot be used for administrators' salaries, benefits or pensions. These special tax revenues will be deposited in a separate account to be used only for the purposes described above.

The District is required by law to issue an annual report on the amount of funds collected, expenditure of the funds, and the status of any project or program to be funded as described in the Full Text. The District will establish an independent taxpayer oversight committee to oversee the expenditure of healthcare parcel tax revenues.

This measure was placed on the ballot by the District.

This measure must be adopted by two-thirds (2/3) of the voters.

A **"YES"** vote would authorize the levy of the parcel tax.

A **"NO"** vote would not authorize the levy of the parcel tax.

DATED: March 19, 2018

s/Katharine L. Elliott
County Counsel

*NOTE - Obstetrics services were discontinued under operations of the MCHCD Board prior to the lease agreement with Adventist Health.

ARGUMENT IN FAVOR OF

MEASURE C

Our community counts on a fully staffed, quality hospital that is minutes, not hours, away. Medical treatment far from home costs money, time, and convenience. Our rural, Critical Access hospital delivers an exceptionally wide-range of services. These include life-saving and life-giving Emergency, Ambulance, and Obstetric care. Like police, fire fighters, and educators, health care providers are part of the social and economic bedrock of our diverse North Coast.

Vote YES on Measure C – Allow our local hospital to continue providing the wide-ranging quality care the community wants and deserves.

We all know medical industry costs have skyrocketed. 80% of our hospital's patients are covered by Medicare and Medi-Cal. On average, the Hospital receives less than the cost of services from these programs. Despite belt-tightening, the District's financial hardships are an ongoing reality.

Vote YES on Measure C – No bailouts exist. Cuts to government health care payments remain unpredictable. A parcel tax is the District's only legal option to secure a stable source of local funding for the Hospital. Passing Measure C – stabilizes finances as the Hospital works to further improve operations, manage costs, and maintain the critical, community healthcare services.

Measure C asks District property owners to pay $144 a year per parcel for 12 years. That's $12 a month.

Measure C mandates important taxpayer protections. Funds cannot be spent on administrative salaries or pensions. An independent Taxpayers' Oversight Committee will ensure the money ONLY supports:

- local emergency room and ambulance services
- attracting and retaining quality doctors and nurses
- critical repairs/upgrades to medical equipment and facilities
- maintaining local surgical and obstetric services.

A healthy community needs a healthy hospital. That takes a 67% **YES** vote.

Join your neighbors, law enforcement, doctors, nurses, taxpayer advocates, and business leaders – **vote YES on Measure C.**

s/Jason Kirkman, MD
Medical Director, NCFHC

s/Shelley Ware
Emergency Department Nurse Manager

s/Lucresha Renteria
Executive Director

s/Paul Clark
Business Owner

s/Jim Hurst
Business Owner

NO ARGUMENT AGAINST MEASURE C WAS SUBMITTED.

How Measure C Works

Measure C, is a special parcel tax approved by the voters in 2018 to support essential healthcare services in the Mendocino Coast Healthcare District (MCHCD). The funds generated by Measure C may be spent only for vital health care services such as maintaining emergency room services, ambulance and 911 services, recruiting and retaining qualified medical staff, and making critical repairs and upgrades to hospital facilities and equipment. Measure C funds cannot be used for administrators' salaries, pensions, or benefits.

The Measure C property tax is currently approved for a period of twelve years and will expire on June 30, 2030.

Measure C promised "independent taxpayer oversight" to ensure funds are used for the purposes the voters approved. The Measure C Oversight Committee acts as an independent body tasked with reviewing expenditures and reporting to the taxpayers on whether those expenses align with Measure C's criteria. The Committee's job is to verify that funds were used correctly and report to the District Board —not to make initial spending decisions.

How the Money Flows:

1. **Tax Collection:**
Each year, Measure C generates approximately $1.5 million through parcel taxes at a rate of $144 per parcel. The County collects these taxes on the property tax bill, retaining about 2% as a service fee.

2. **Fund Management:**
The tax revenue is deposited into designated bank accounts. Historically, all Measure C funds were placed into the hospital's Tri-Counties Bank account. During the lease term, funds were placed into a Wells Fargo Account managed by Adventist Health. Currently, a separate Tri-Counties account, managed by the District, has been opened specifically for Measure C funds, ensuring more transparency and better tracking. This account earns interest income and is structured to be FDIC-insured.

3. **District Expenditures:**
The MCHCD Board reviews funding proposals and has sole discretion to decide how the Measure C funds are spent. The Board makes decisions on necessary projects—primarily focused on deferred maintenance and capital improvements critical for keeping the hospital licensed, accredited, and operational. The "Accountability Measures" in Measure C are very specific, and require the Board to apply certain criteria before approving expenditures.

Oversight Committee's Role:
The Measure C Oversight Committee's role is not to propose or approve spending decisions beforehand but rather to review them afterward to ensure they comply with Measure C's intended uses.

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MCHCD MEASURE C FUNDING

Measure C Parcel Tax generates approximately $1.5 million annually and expires June 30th, 2030

MCHCD Board approves Measure C expenditures requested by Adventist Health

Measure C funds provide essential health care to residents of the Mendocino Coast by:

- **maintaining local emergency room services;**
- **attracting and retaining high quality doctors and nurses;**
- **maintaining local ambulance and related 911 services;**
- **making critical repairs and upgrades to medical equipment/facilities; and**
- **maintaining local surgical services.**

Measure C Oversight Committee reviews expenditures spent with Measure C dollars to ensure funds were spent as voters intended

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MENDOCINO COAST HEALTH CARE DISTRICT

Policy 17

Disposition of District-Owned Surplus/Obsolete Equipment and Supplies

November 10, 2025

1. **Purpose**
The intent of this policy is to establish uniform guidelines for the disposal or transfer of surplus and/ or obsolete District equipment and supplies. This policy excludes the transfer, sale, or other disposal of real property.

2. **Definitions**
"Equipment" shall mean all tangible District property that has a useful life of more than one year and an acquisition cost of $5,000 or more per unit. This definition includes major movable property used in the provision of District health care services and responsibilities.

"Supplies" shall mean all tangible District property, other than Equipment, having a useful life of less than one year and an acquisition cost of $5,000 or more per unit.

"Surplus or obsolete equipment" shall mean tangible property which the district determines is no longer required for its needs or for the fulfillment of its responsibilities.

"Fair Market Value" shall mean the most probable price which equipment or supplies should bring in a competitive and open market.

"Net proceeds from the sale of surplus or excess property" shall mean the amount Realized from the sale of property no longer needed for district purposes less the expenses of any actual and reasonable selling and fixing up expenses.

"Service Life or Useful Life" begins on the date the equipment or vehicle is placed in revenue service and continues until it is removed from service.

3. **Policy**

A. Disposition of Surplus Equipment and Supplies

1. The agency administrator is responsible for monitoring and evaluating when the useful life of said equipment or supplies have been met and for disposal of surplus equipment and/or supplies when it is judged to be in the best interest of the organization that the property concerned be disposed of.
2. The agency administrator shall estimate the fair market value of surplus equipment and supplies by any reasonable means and prepare supporting documentation.
3. Authorization to dispose of surplus equipment and supplies is subject to the value limitations and requirements below, and methods of disposal must conform appropriately.

B. Authorization

1. If the estimated fair market value is less than $1,500, the agency administrator or designee may authorize the scrapping of the property or may sell or donate the property to a school, public agency, or non-profit organization
2. If the estimated fair market value does not exceed $25,000, a negotiated sale may be conducted and sale of the item concluded at the price determined to be fair and reasonable without competitive bids.
3. If the estimated fair market value is greater than $25,000, but does not exceed $100,000, the Board Chair's approval shall be obtained prior to any sale. Information provided to the Chief Administrative Officer shall, as a minimum, identify the buyer and the rationale supporting documentation behind the sale at that value.
4. If the estimated fair market value, as determined by the agency administrator or designee, is greater than $100,000 or the sales price is less than the determined fair market value, Board of Director's approval shall be obtained prior to any sale. Information provided to the Board of Directors shall, at a minimum, identify the buyer and the rationale supporting documentation behind the sale at that value.
5. Trade-ins as part of procurement are authorized regardless of market value.
6. Staff may seek the Board of Directors approval for an exception to this policy when it is in the best interest of the District.

C. Methods of Disposition

Authorized surplus disposition will proceed following one or more of the following approved methods for the disposition of surplus or obsolete equipment and supplies shall include: 1) trade-in as part of a new procurement; 2) sale to other public agencies;

3) sale to nonprofit agencies or organizations consistent with established legal parameters; 4) sale by auction open to the public; 5) solicitation of sealed bids or negotiated sale - whichever maximizes the disposal value to the District; 6) disposal through scrapping; or 7) charitable donation.

D. Prohibited Sales

Except in the case where surplus or obsolete District property is sold at public auction conducted by an independent third-party auctioneer, members of the Board of Directors and or employees of the District or persons acting as agents of the foregoing, shall not be permitted to purchase at the sale.

E. Reports to the Board of Directors

At least once per fiscal year, the agency administrator shall provide, as an information item to the Board, a report of the activities relating to the disposal of surplus or obsolete property describing the identification of property, type of items disposed of, original purchase price information and dates (if available), the gross sales price, and the net proceeds to the District. Regardless of value and/or method of disposition, all reports of the disposition will identify the buyer/recipient and include the supporting documentation establishing a specified value for the item(s).

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — September 10, 2025 DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — September 10, 2025 DATE

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Policy 18

District Grant Funding & Assistance

May 14, 2026

1. Legal Basis

This policy is adopted pursuant to California Assembly Bill 2019 (AB 2019, Aguiar-Curry), enacted September 5, 2018, which amended the Local Health Care District Law (California Health and Safety Code Sections 32132.96, 32139, and 32140, and Government Code Section 6270.7). AB 2019 imposes specific requirements on health care district boards regarding grant funding, website disclosure, bankruptcy notification, and affordable housing in design-build projects. In compliance with California Health and Safety Code Section 32139, the Board of Directors shall adopt this annual grant funding and assistance policy and ensure it is published on the District's official website.

2. Grant Funding Policy & Website Disclosure

The District will post annual Grand Funding information to the ***District Financials*** portion of the website. For purposes of this policy, **Grant Funds or Assistance** is any monetary grants, in-kind resources, or other financial assistance distributed by the Mendocino Coast Health Care District (the "District") to individuals, organizations, or community programs.

3. Bankruptcy Notification

In compliance with California Health and Safety Code Section 32140, if the District files a petition under federal bankruptcy law, the Board of Directors shall provide written notice within ten (10) business days to the Local Agency Formation Commission (LAFCO) of the principal county in which the District is located (Mendocino County). Such notice shall include the date of filing, the applicable federal court, and the case number. The District Administrator shall be responsible for preparing and transmitting this notice on behalf of the Board.

4. Administration & Responsibilities

The Board shall adopt and annually review this policy, ensuring that any authorized grant funding plan and corresponding recipient list are published to the District website, and authorizing bankruptcy notification to LAFCO if applicable. Any policy amendments shall be adopted by formal Board action and posted to the District website within five (5) business days of adoption.

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APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — DATE ADOPTED: May 14, 2026

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — DATE: May 14, 2026

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Policy 19

Fraud, Waste & Abuse

May 14, 2026

1. Purpose

The Mendocino Coast Health Care District (MCHCD) Board is committed to creating and supporting a workplace culture that promotes integrity, ethical decision-making, honesty, and accountability and to prevent fraud, waste, and abuse. The purpose of this Policy is to establish a common understanding of fraud, waste and abuse, the methods and tools that MCHCD has implemented to prevent these concerns, and the actions that should be taken if fraud, waste, or abuse is suspected of occurring.

This Policy is intended to establish and maintain a fair, ethical, and honest business environment for all employees, volunteers, consultants, contractors, and anyone else with whom MCHCD has a business relationship. This Policy does not supersede or preclude MCHCD from complying with applicable federal, state, or local laws or guidelines that require measures that are more prescriptive and/or restrictive than provided here.

2. Scope

This Policy applies to all MCHCD volunteers, outside agencies, consultants, contractors, employees (both permanent and temporary), and any other persons or entities doing business with MCHCD. This Policy applies to any suspected or actual fraud, waste, or abuse against MCHCD, or the public served by this organization.

3. Definitions

"Fraud, waste or abuse" is "any activity by a local agency or employee that is undertaken in the performance of the employee's official duties, including activities deemed to be outside the scope of his or her employment, that is in violation of any local, state, or federal law or regulation relating to corruption, malfeasance, bribery, theft of government property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of government property, or willful omission to perform duty, is economically wasteful, or involves gross misconduct." California Government Code Section 53087.6(f)(2)

Improper Government Activity means any activity, or act by an executive management, director, department, officer (elected or appointed), or employee relating to the performance of official MCHCD business, duties, and responsibilities.

There are four categories that constitute improper government activity: (1) gross mismanagement, (2) significant waste of public funds, (3) abuse of authority, or (4) substantial and specific danger to public health and safety.

Gross Mismanagement means the failure to exercise even a substandard level of performance relating to the management of projects, programs, activities, functions, services, and responsibilities.

Significant waste of public funds means an unnecessary expenditure of a substantial amount of money or a series of unnecessary expenditures of smaller amounts of money.

Abuse of Authority means the willful exercise of authority for improper or wrongful purpose.

Substantial and specific danger to the public health and safety means a risk of serious injury, illness, peril or loss, to which the exposure of the public is a gross deviation from the standard of care or competence which a reasonable person would observe in the same situation.

Fraud: Fraud is defined as a dishonest and deliberate course of action that results in obtaining money, property, or an advantage to which employees or officials committing the action would not normally be entitled. Fraud also encompasses intentional misleading or deceitful conduct that deprives the Agency of its resources or rights. There are three categories of fraud. They include 1) financial statement fraud, 2) misappropriation of assets, and 3) corruption.
Waste: Waste is defined as the needless, careless, or extravagant expenditure of Agency funds; incurring of unnecessary expenses; or mismanagement of Agency resources or property. Waste does not necessarily involve private use or personal gain, but it almost always signifies poor management decisions, practices, or controls.
Abuse: Abuse is defined as the intentional, wrongful, or improper use or destruction of Agency resources, or improper practice that does not involve prosecutable fraud. Abuse can include the excessive or improper use of an employee or official's position in a manner other than its rightful or legal use.
Business Ethics: Business ethics refers to contemporary organizational standards, principles, sets of values, and norms that govern the actions and behavior of an

individual in the business organization. Business ethics have two dimensions, normative business ethics or descriptive business ethics.

Human Resources Ethics: Interactions between managers and employees create opportunities for breaches of ethics, such as discrimination based on ethnicity, gender, age, or other factors. Managers who discriminate against protected groups in hiring practices, compensation decisions, and terms of employment can face legal and social consequences. Dishonesty and manipulation are also examples of unethical workplace behavior.

Accounting Ethics: Financial accounting is a major ethical issue, and no amount of industry or government regulation seems able to prevent dishonest people from reporting financial information in unethical ways. Certain unethical accounting practices are illegal, such as misrepresenting income or expenses in financial statements through unjustifiable shifting of expenses to inappropriate periods to influence current financial results, obtain a better debt rate, or to maintain debt covenant requirements.

Examples of fraud, waste, and abuse under this Policy include, but are not limited to:

Misappropriation of funds, including without limitation, theft of cash or of funds, being economically wasteful, personal purchases using MCHCD resources, falsifying travel expense reports, misuse of expense cards, false invoicing, payroll falsification, creating unnecessary overtime, and/or forgery or alteration of any document.

Misappropriation of property, including without limitation, theft, or removal of MCHCD equipment, inventory or supplies, use of MCHCD equipment for purposes unrelated to MCHCD business, use of one's position at MCHCD to gain advantage when conducting personal business with a vendor, and/or destruction, removal, or inappropriate use of MCHCD furniture, fixtures, and equipment.

Misappropriation of insurance proceeds, including without limitation, filing a false claim for workers compensation, accidents, or other claims.

An act or omission with corrupt intent, including without limitation, overcharging for goods or services, secret commissions (e.g., kickbacks), acceptance of gifts / goods / services as inducement to giving work to any contractor or supplier, and/or collusive bidding.

Knowingly making misleading statements, including without limitation, false accounting, deliberate misstatement of accounting information, and/or intentional statements of incorrect or misleading employment history / educational qualifications.

Gross misconduct, including without limitation, deliberate wrongdoing that undermines the trust and confidence between an employee and MCHCD, disclosing confidential information, and/or destruction of records.

Willful omission with the intent to mislead or intentional concealment or misrepresentation of a material fact, including without limitation, intentionally omitting or ignoring information important to the day-to-day operations of MCHCD.

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Knowingly making a false promise, including without limitation, intentionally omitting or ignoring information important to the day-to-day operations of MCHCD. Those who are unsure as to whether particular conduct constitutes fraudulent, wasteful, or abusive conduct are advised to contact the District Manager or Board for clarification. Further, those who see or suspect any fraud, waste, or abuse must report it immediately. Appropriately qualified parties, depending on the matter, including law enforcement if applicable, may be asked to undertake an investigation. Investigation results will not be disclosed or discussed with anyone other than on a legitimate need-to-know basis. Reports will be treated as confidential. All reports must be made with truthful and accurate information and to the best of your knowledge. Reports may be made by telephone, e-mail, or by U.S. mail by contacting the following:

MCHCD
PO Box 579
Fort Bragg CA 95437

Phone: 707 962-3175

Email: info@mendocinochcd.gov

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR

May 14, 2026
DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY

May 14, 2026
DATE

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Policy 20

District Website

May 14, 2026

1. Definition

The District website is the official public-facing website owned and operated by the Mendocino Coast Health Care District. It includes all web pages, documents, and digital content published under the district's domain. Website content means any text, documents, images, links, forms, meeting materials, or other information published on or through the site. The District Administrator, with guidance and oversight by the Board, is the designee authorized by the district to manage and publish website content. This website policy applies to everyone who contributes to or manages the district website — Board members, staff, consultants and contractors.

2. Purpose

The District website exists to serve the public. It is used to: keep the community informed about District business and decisions; fulfill the district's transparency and public notice obligations; make it easy for residents to engage with their local health care district board and provide timely, accurate information about District programs and services. Certain materials must be posted to meet legal public notice obligations.

3. Content Submitted for Approval

Submitted content should be directed to the administrator with information about the request for website posting (attached form). After initial review against this policy, approved content is posted within five business days. Sensitive items — legal notices, policy changes, or anything unusual — may be reviewed by District counsel before going live. Declined submissions will receive a brief written explanation. Submitted website content will be posted free of charge.

4. Reporting a Violation

Anyone who notices content on the district website that appears to violate this policy should report it to the District Administrator. Content that violates this policy will be taken down promptly. Violations may be reported by phoning (707) 962-3175 or emailing: info@mendocinochcd.gov.

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What We Post

The district publishes content that serves a clear public benefit related to district operations, governance, or community health. That includes:

- Board meeting agendas, minutes, and supporting materials (72 hours in advance)
- Adopted Budgets, financial reports, and audit results
- District policies and governing documents
- Public health information relevant to our community
- Contact information for the district and its programs
- Legal notices, public hearings, and job openings
- Emergency or community health alerts
- Annual reports and board planning documents
- Any other materials required by State or Federal law

What We Don't Post

As a public agency, the district cannot use its website to support or oppose any candidate or ballot measure - as required by California law.

- Political endorsements or campaign materials
- Personal or commercial promotions
- Confidential records or personnel information
- Content that discriminates or demeans
- Copyrighted material without permission
- Unofficial or inaccurate information

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — May 14, 2026 — DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — May 14, 2026 — DATE

Policy 21

Annual Audit
of the Financial Statements of the MCHCD

October 8, 2026

This policy is to formally state the obligation of the Mendocino Coast Health Care District Board to annually engage independent certified public accountants to review the financial statements of the District in accordance with American Institute of Certified Public Accountants (AICPA) Statements of Standards for Accounting and Review Services, the Financial Accounting Standards Board (FASB) generally accepted auditing and accounting standards, and the Governmental Accounting Standards Board pronouncements, and California Government Code §26909.

Policy

Mendocino Coast Health Care District will annually, at its own expense, engage the services of certified public accountants to perform a review of the financial statements of the District. The completed audit report must be filed within 12 months after the end of the fiscal year to the State Controller and local agencies.

Audit Services Procurement

In January, the Chief Financial Officer (CFO) will present a recommendation for an independent auditing firm to the Board of Directors. If the Board accepts the recommendation, a contract for audit services will be executed. If the recommendation is rejected, the CFO will solicit proposals from other qualified firms.

When a new auditing firm is sought, the CFO will present the responses to the Request for Proposal (RFP) to the Finance Committee no later than April. The Finance Committee's recommendation will then be brought to the MCHCD Board of Directors for final approval.

Audit services are professional services. Consistent with California Government Code §53060, they are procured through a qualifications-based RFP process rather than

through formal competitive bidding under the Public Contract Code, which governs public works construction contracts.

Schedules, information, and documentation will be prepared in a timely, complete, and accurate manner, coordinated with the district's bookkeeper, by the CFO or designee.

Upon completion of the audit, an exit interview will be conducted by the auditors with the District Manager or designee, and the Chief Financial Officer.

The final audited financial statements will be presented to the Board of Directors at a regular session of the Board in a meeting where a representative of the auditing firm is present.

APPROVAL SIGNATURES:

PAUL GARZA JR., BOARD CHAIR — October 8, 2026 — DATE ADOPTED

ATTEST:

SUSAN SAVAGE, BOARD SECRETARY — October 8, 2026 — DATE