



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.



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

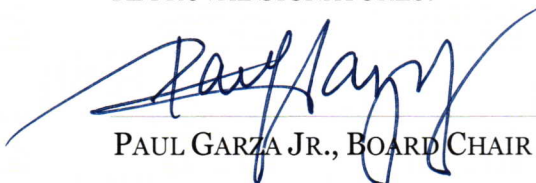
All members of the Board of Directors and staff or designees of the district who are deemed to participate in the making of decisions which may foreseeably have a material effect on a financial interest.

(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:

May 14, 2026

SUSAN SAVAGE, BOARD SECRETARY DATE