

VERDANT HEALTH COMMISSION
PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON
BOARD OF COMMISSIONERS
Regular Meeting
A G E N D A
February 27, 2013
8:00 AM to 9:45 AM

	<u>ACTION</u>	<u>TIME</u>	<u>PAGE</u>
A. Call to Order			
Pledge of Allegiance	---	8:00	
B. Approval of the Minutes			
a) January 23, 2013 Board Meeting	Action	8:02	2-6
C. Executive Committee Report			
a) Approve Committee charter updates	Action	8:12	
• Executive Committee			7
• Finance Committee			8
• Program Oversight Committee			9
• Strategic Collaboration Committee			10
b) Resolution 2013-01 adopting & approving amended & restated governing bylaws of the District	Action	8:15	11-39
D. Board Finance Committee Report			
a) Review financial statement and cash activity	Action	8:20	40-47
b) Authorization for payment of vouchers and payroll	Action	8:25	48
c) Resolution 2013-02 Sale of Asset to SWC	Action	8:26	49-55
d) Resolution 2013-03 Asset Surplus	Action	8:26	56-61
E. Program Oversight Committee Report & Recommendations			
a) Conflicts of interest	Action		
b) Program investment recommendations	Action	8:30	62-64
c) Community needs assessment	Information	8:35	65-67
F. Marketing Report			
a) "6 Weeks to a Healthier You" 2013	Information	8:50	68
b) Website update	Information	8:55	
G. Commissioner Comments	Information	9:00	
H. Superintendent's Report	Information	9:05	
I. Public Comments (please limit to three minutes per speaker)	---	9:10	---
J. Executive Session	---	9:15	---
K. Open Session	Action	9:45	---
L. Adjournment	---	9:45	---

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON
VERDANT HEALTH COMMISSION

BOARD OF COMMISSIONERS

Regular Meeting

VHC Board Room

January 23, 2013

Commissioners Present	Fred Langer, President Bob Knowles, Secretary Deana Knutsen, Commissioner J. Bruce Williams, M.D., Commissioner Karianna Wilson, Commissioner (8:05 arrival)
Others Present	Carl Zapora, Superintendent George Kosovich, Program Director Lisa King, Finance Director Jennifer Piplic, Marketing Director Karen Goto, Executive Assistant Howard Thomas, Consultant Lu Miller, Morgan Consulting Resources (via phone) Members of the community
Call to Order	The Regular Meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 8:00 a.m. by President Langer.
Approval of Minutes	<i>Motion was made, seconded and passed unanimously to approve</i> the minutes of the regular meeting on November 28, 2012. <i>Motion was made, seconded and passed unanimously to approve</i> the minutes of the special meeting on November 30 – December 1, 2012.
2013 Officers & Committees	Commissioner Knowles was nominated as Board President for 2013. <i>Motion was made, seconded and passed unanimously to approve</i> Commissioner Knowles as President. President Knowles assumed his new role and began presiding over the business of the meeting. Commissioner Langer was nominated as Board Secretary for 2013. <i>Motion was made, seconded and passed unanimously to approve</i> Commissioner Langer as Secretary. <i>Motion was made, seconded and passed unanimously to approve</i> Bob Knowles (Chair)/Fred Langer for the Executive

Committee;
Karianna Wilson (Chair)/Bruce Williams for the Finance Committee;
Deana Knutsen (Chair)/Karianna Wilson for the Program Committee;
Bob Knowles (Chair)/Fred Langer for the Strategic Collaboration Committee (E:01:13)

Recognition was given to Commissioner Langer for his service as Board President in 2012.

**Adopt 2013
Board Meeting
Calendar**

Motion was made, seconded and passed unanimously to approve the meeting calendar for 2013 (E:02:13).

**Executive
Committee**

Secretary Langer reported that the Executive Committee met on January 18 to review the January 23, 2013 board meeting agenda, to discuss the Superintendent contract, to discuss district real estate matters, and to review board committee needs for 2013.

**Amended
District Bylaws &
Committee
Charters**

The Board will review the changes to the District Bylaws and Committee charters and take action at the February 27, 2013 regular board meeting (E:03:13).

**Board Finance
Committee**

The committee met on January 15, 2013.
Ms. King reported on the financials for November and December 2012 (E:04:13).

**Authorization for
Payment of
Vouchers &
Payroll**

Warrant Numbers 10130 through 10176 for November & December 2012 for payment in the amount of \$1,752,617.38 were presented for approval (E:05:13).
Motion was made, seconded and passed unanimously to approve.

**Program
Oversight
Committee
Update**

Commissioner Knutsen reported that the Program Oversight Committee met and reviewed three new proposals and one request for expanded funding (E:06:13).
No conflicts of interest were reported by any of the commissioners.
Motion was made, seconded and passed unanimously to approve the Snohomish County Medical Reserve Corp's Health & Beauty Fair in the amount of \$2,625 on a one-time basis.

Motion was made, seconded and passed unanimously to approve funding of \$5,600 to the Cascade Bicycle Club Education Foundation to provide 480 free bicycle helmets to low-income students and families in the Edmonds School District. Attorney Brad Berg will be consulted on the issue of gifting.

Motion was made, seconded and passed unanimously to approve increased funding in the amount of \$29,916 per year for the next two years for the Edmonds Senior Center Enhance Wellness program which currently serves 90 residents.

Proposal by the Community Health Center of Snohomish County Medicine for the Homeless will be reviewed at the February 27, 2013 regular board meeting or a special board meeting with a representative from the organization. Commissioner Langer would like to consult Attorney Brad Berg on legal issues with this proposal regarding funding services for non-district residents.

Mr. Kosovich reported that the community needs assessment is being conducted and the consultants will share their data analysis, focus groups and surveys at the February 27, 2013 regular board meeting. The complete needs assessment should be done by June 2013 with periodic updates for the board. Commissioner Knutsen referenced the revised committee charter and reported that until the needs assessment is complete in June, the Program strategic plan will be evolving.

Marketing Report

Ms. Piplic reported on three items (E:07:13) –

1. 6 Weeks to a Healthier You update
Dates have been scheduled for 2013. First committee meeting was held on January 22, 2013 which included members from 2012 and some new members for 2013 to reach out to more district residents.
2. Verdant website update
New website will launch in April 2013.
3. Other Program Events
The American Heart Association's Go Red BetterU launch event will take place on February 2, 2013 from 11 am to 3 pm at the Alderwood Mall. Information on Verdant will be available.

Commissioner Comments	None
Superintendent's Report	Superintendent Zapora reported that the goal for 2013 with 6 Weeks to a Healthier You is to exceed last year's number of 480 attendees. Snohomish County, Providence, and Whole Foods will be promoting the event to their employees.
Public Comments:	<p>Mr. Farrell Fleming from the Edmonds Senior Center thanked the board for its current funding and the additional funding for the Enhance Wellness Program which is open to all ages. The Senior Center is also involved in a Naturopathic Clinic with Bastyr University and is serving as the Emergency Cold Weather shelter.</p> <p>Mr. Al Rutledge mentioned the Top Food Car Show coming on July 13, 2013. He also mentioned that the Kiwanis Club provides bicycles and bicycle helmets for the Edmonds School District.</p> <p>Mr. Andrew Brunskill would like to know the nature of the medicine (generic vs. brand name) that the Community Health Center wants to provide for the homeless per their proposal.</p> <p>Ms. Mary Hovander from the League of Women Voters requested that the Amended Bylaws (Article 1, page 1) keep the words "hospital service" for historical purposes. She also requested clarification of Article 2, Section 4, item ix, page 5 on the authority of the board to influence clinical privileges at the hospital. Ms. Hovander stated that there was a typo on the Executive Committee charter.</p> <p>Ms. Rowena Miller from the League of Women Voters requested the opportunity to bring questions to the board on the amended Bylaws.</p>
Superintendent Position Compensation Analysis	Consultant Howard Thomas and Lu Miller from Morgan Consulting Resources presented the results of the compensation survey project (E:08:13) which was requested by the board for the superintendent's position.
Executive Session	<p>President Knowles recessed the regular meeting at 8:55 a.m. into Executive Session to discuss ongoing litigation and the Superintendent's 2013 goals & objectives.</p> <p>President Knowles stated that no action would be taken in this Executive Session and the board would reconvene in approximately 20 minutes.</p> <p>Commissioner Langer came out of Executive Session at</p>

9:15 a.m. and extended the session by another 20 minutes.

Open Session

President Knowles reconvened into open session at 9:42 a.m. and the board approved the 2013 Superintendent goals and objectives.

Adjourn

There being no further business to discuss, the meeting was adjourned at 9:43 a.m.

ATTEST BY:

President

Secretary

PUBLIC HOSPITAL DISTRICT NO.2 OF SNOHOMISH COUNTY BOARD EXECUTIVE/GOVERNANCE COMMITTEE CHARTER

Role: The role of the Executive/Governance Committee is to transact the business of the Board of Commissioners in the interim between meetings of the full Board to 1) recommend policies and processes to the Board, and to 2) monitor the results of these policies and processes to assure the self-management of the Board and effective governance of the District.

Responsibilities:

1. Act on matters that cannot reasonably wait action by the full Board of Commissioners
2. Act on other matters delegated to the Executive Committee by the Board of Commissioners
3. Report actions at the next meeting of the Board of Commissioners for ratification
4. Function as an advisor to the ~~President/CEO~~ District Superintendent on sensitive topics
5. Provide input into the content and structuring of the Board meeting agenda
6. Develop a statement of the responsibilities of the Board, a Board member and the Board chair
7. Develop a process for identifying potential Board members
8. Develop a description of the skills and areas of knowledge needed on the Board
9. Develop an orientation program for new Commissioners
10. Identify and provide continuing education opportunities for the Board
11. Review and update Board policies and processes including By-Laws and core Board documents
12. Prepare and recommend annual Board goals and objectives for approval
13. Prepare and implement a process for an annual Board evaluation
14. Prepare and implement a process for the annual evaluation of the ~~CEO~~ District Superintendent

Membership: The Executive/Governance Committee shall consist of the officers of the Board. The ~~CEO~~ District Superintendent shall be an ex-officio member without vote. The chair of the Board appoints committee members annually, to coincide with the election of officers.

**PUBLIC HOSPITAL DISTRICT NO 2 OF SNOHOMISH COUNTY
BOARD FINANCE COMMITTEE
CHARTER**

Role: The ~~Role-role~~ of the Finance Committee of the Board of Commissioners is 1) to recommend ~~financial policies-policy~~ plans to the Board of Commissioners, and 2) to monitor financial results in order to assure the long-term financial viability of the District.

Responsibilities:

1. Review and recommend financial policies, for example, approval levels for budgets and expenditures.
2. Establish the assumptions and parameters used to develop capital and expense budgets.
3. Annually recommend the capital, ~~and~~ revenue and expense budgets.
4. Monitor financial indicators and present analyses and recommendations to the Board when indicators cross thresholds or otherwise warrant attention and action.
5. Recommend Board action on budget changes in accordance with Board policy guidelines.
6. Recommend financial auditor appointment to the Board and annually review the scope of the audit.
- ~~7. Receive and review financial annual~~ auditor's report annually as well as any Washington State Auditor's office reports and recommend action to the Board as necessary.
- ~~7.~~
- ~~8. Approve asset allocation for Snohomish Public Hospital District Investment Program at least annually.~~
- ~~9-8. Receive and Review~~ and monitor all District revenue and investments, including leases, rental properties and new acquisitions. Performance Reports on quarterly basis covering all Investment programs.
- ~~9.~~ Review pensions and benefits and make recommendations to the Board as necessary.
10. Review and monitor District's long range financial plan.

Membership: The Finance Committee shall consist of two board members and two community members. The CEO is an ex-officio member without vote. The chair of the Board appoints committee members annually, to coincide with the election of officers.

**PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY
BOARD PROGRAM OVERSIGHT COMMITTEE
CHARTER**

Role: The role of the Program Oversight Committee of the Board of Commissioners is to 1) recommend policies, plans, and processes for program development and investments to the Board of Commissioners, and 2) to monitor the results of these policies, plans and processes to assure that they are generating positive outcomes and are aligned with the district's mission and vision.

Responsibilities:

1. Review and recommend policies and plans for the development of health and wellness programs in the district.
2. Monitor the implementation of the policies and plans and review results.
3. Review and recommend proposals to the Board of Commissioners related to cooperative agreements, affiliations, or other types of partnerships. If an investment request reviewed by the Program Oversight Committee is more than \$250K in any given year or \$500K in total, it should be referred to the full board for discussion and approval. The Program Oversight Committee may refer additional investments decisions or discussions to the full board at its discretion.
4. Monitor and surface potential conflicts of interest as they relate to program development and investments.
5. Monitor and advise the Board on issues and trends in health that impact the mission and vision of the district and review periodic needs assessments.
6. Create and recommend a draft strategic community investment road map for program investments.

Membership: The program committee shall consist of two board members. The superintendent and director of programs and community investments are ex-officio members without vote. The chair of the Board appoints committee members annually, to coincide with the election of officers.

Swedish/District Strategic Collaboration Committee

Committee Charter

Approved: 04/11/11

Updated: 01/17/2013

Committee Purpose:

The purpose of the Strategic Collaboration Committee (the “Committee”) is to provide the District and Swedish with a formal venue to exchange ideas and discuss projects of common purpose. The agenda of the Committee will include, but not be limited to development and review of Swedish’s strategic plan and its operating and capital budgets for the Hospital and other Leased Assets. The Committee shall assist with strategic planning of the Hospital and other Leased Assets and shall not have a formal role in the governance of this Lease. The specific duties of the Committee will include, but not be limited to the following:

- ⇒ To proactively address any issues that may arise during the term of the Lease;
- ⇒ To review and provide input to Swedish’s strategic plans and annual operating and capital budgets relating to the Leased Assets; review reports of capital expenditures by Swedish pursuant to this Lease
- ⇒ To review and provide input to the District’s strategic plans and its annual operating and capital budgets; review reports of capital expenditures by District;
- ⇒ To advise regarding expenditure of the District Reinvestment Funds;
- ⇒ To advise regarding strategic investments in the Leased Assets and the Hospital Primary Service Area; and
- ⇒ To review and make recommendations regarding new services, programs and facilities for the Hospital Primary Service Area, as well as the termination of such services, programs and facilities.

Membership and Structure:

- ⇒ **Members:** The Committee shall consist of representatives representing Swedish and representing the District, which representatives shall be appointed as determined by Swedish and the District each in their sole discretion.
 - Swedish: ~~Kevin Brown (Chief Strategic Officer), Mike Carter (Facility Sr. VP), David Jaffe (Chief Administrative Officer)~~, Sarah Zabel (VP, facility operations and strategy)
 - District: President, ~~Position 2-Board Member~~, Superintendent
- ⇒ **Chair:** The District Superintendent and the ~~facility Senior VP~~ Chief Administrative Officer shall be co-chairs.
- ⇒ **Authority:** The Committee has no legal authority to bind either entity. Any decisions shall be made by the entity properly entitled to act and in accordance with the provisions of the Lease Agreements. The District and Swedish shall each have one (1) vote on matters before the committee. In the event of a tie vote, the parties have agreed to proceed, or not to proceed, based upon the terms of the Lease Agreements.

Meeting Frequency:

The Committee shall meet at least quarterly during the first three (3) years of the Lease Term, and shall thereafter meet at least annually. The first meeting of the Committee will take place no less than six (6) months following the Commencement Date.

AMENDED AND RESTATED BYLAWS
OF
PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

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AMENDED AND RESTATED BYLAWS

OF

PUBLIC HOSPITAL DISTRICT NO. 2 SNOHOMISH COUNTY, WASHINGTON

ARTICLE I FORMATION AND PURPOSE

This public hospital district (the "District"), a municipal corporation, was created in 1962 to provide hospital service and health care services for the residents of the District and other persons. The activities of the District shall be conducted in conformity with the Constitution and laws of the State of Washington, including Chapter 70.44 RCW, as now in effect or hereafter amended. These Bylaws are adopted in furtherance of the lawful purposes of the District including the providing of ~~hospital and other health care facilities and services~~ appropriate to the needs of the population served ~~and to facilitate the governing of the District's Stevens Memorial Hospital (the "Hospital") which shall be operated in compliance with applicable law and regulations.~~

ARTICLE II BOARD OF COMMISSIONERS

Section 1. Qualification and Election. No person shall be eligible to be elected to the office of public hospital district commissioner unless he or she is a registered voter within the boundaries of the District ~~and within the commissioner district or at large district from which he is elected.~~ All District commissioners shall be elected and serve, ~~whether from a particular commissioner district or at large,~~ in the manner and for the term prescribed by law.

Section 2. Organization and Officers of the Board of Commissioners. The five-member Board of Commissioners (the "Board" or the "Commission") shall at its first regular meeting in each calendar year organize by ~~the~~ election from its own members of a President and Secretary. sSuch election ~~to~~shall be by a majority vote of the commissioners in each case. The terms of both officers shall be for one year.

2.1 The President shall act as the presiding officer at meetings of the Board and shall execute on behalf of the District all contracts, agreements and other documents and papers duly authorized by the Board that may require his or her signature.

2.2 The Secretary shall prepare, or cause to be prepared, minutes of all regular and special meetings of the Board, shall sign the same and shall keep them in a proper book for that purpose. The Secretary shall have charge of the official seal of the District and shall affix or cause to be affixed such seal to any documents requiring it, attesting the same. In the absence of the President, the Secretary shall preside at Board meetings.

2.3 If a vacancy occurs in the office of either the President or the Secretary, an election of officers shall take place at the next regular meeting of the Board to fill the unexpired term created by the vacancy. All members of the Board, whether elected or appointed, shall be required to take an oath of office in the form prescribed by the laws of the State of Washington relating to public officials.

2.4 A vacant commissioner position may be filled by the Board appointing a new member in the manner prescribed by law.

Section 3. Meetings of the Board or Commission.

3.1 Regular meetings of the Board shall be held monthly on the fourth Wednesday of each month, at 8:00 o'clock A.M., ~~at the Hospital.~~ In the event a regular meeting falls on a holiday, such meeting shall be held on the next business day.

3.2 Special meetings

a. A special meeting may be called at any time by the ~~President~~presiding officer of the Board or by a majority of the members of the Board by delivering ~~personally or by mail written notice~~written notice personally, by mail, by fax, or by electronic mail to each member of the Board; ~~and.~~ Written notice shall be deemed waived in the following circumstances: (1) a commissioner submits a written waiver of notice to the secretary of the Board at or prior to the time the meeting convenes, which may be given by telegram, fax, or electronic mail; or (2) a commissioner is actually present at the time the meeting convenes.

b. Notice of a special meeting called under subsection (a) of this section shall be: (1) delivered to each local newspaper of general circulation and to each local radio or television station which that has on file with the Board a written request to be notified of such special meeting or of all special meetings; (2) posted on the District's web site. The District shall not be required to post a special meeting notice on its web site if it (i) does not have a web site; (ii) employs fewer than ten full-time equivalent employees; or (iii) does not employ personnel whose duty, as defined by a job description or existing contract, is to maintain or update the web site; and (3) prominently displayed at the main entrance of the District's principal location and the meeting site if it is not held at the agency's principal location. Such notice must be delivered ~~personally or by mail or posted, as applicable,~~ at least twenty-four hours before the time of such ~~special~~ meeting as specified in the notice. ~~The call and notice~~

c. The call and notices required under subsections (a) and (b) of this section shall specify the time and place of the special meeting and the business to be transacted. Final disposition shall not be taken on any other matter at such meetings of the Board. Written notice may be dispensed with as to any commissioner who files with the Secretary written waiver of such notice or who is actually present at the meeting at the time it convenes by the Board.

The notices provided ~~for herein otherwise~~ in this section may be dispensed with ~~only~~ in the event a special meeting is called to deal with an emergency involving injury or damage to persons or property or the ~~immediate~~ likelihood of such injury or damage, when time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage.

3.3 The order of business at meetings of the Commission shall be as follows:

a. Regular Meetings

- (i) Call to order
- (ii) Reading and approval of minutes of the last regular meeting and any intervening special meeting and approval of any other matters on the consent agenda
- (iii) Reports
- (iv) Consideration of items on the agenda or other matters properly before the Board and action thereon

(v) Adjournment

b. Special Meeting a Meetings

- (i) Call to order
- (ii) Reading of the notice calling the meeting
- (iii) Consideration of matters stated in the notice and action thereon
- (iv) Adjournment

Section 4. Action by the Board. As used herein, "action" means the transaction of the official business of the District by the Board including, but not limited to, ~~a collective decision made by a majority of the members of the Board, a collective commitment or promise by a majority of the members of the Board to make a receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations, and final actions.~~ "Final action" means a collective positive or negative decision, or an actual vote by a majority of the members of the Board when sitting as a body or entity, upon a motion, proposal, motion or resolution.

All final action taken by the Board shall be by motion or resolution recorded in a book or books kept for such purposes. Minutes of all regular and special meetings, except executive sessions thereof, shall be promptly recorded and shall be open to public inspection.

All meetings at which action is taken by the Board shall be open and public and all persons shall be permitted to attend any meeting of the Board, except as otherwise provided in this section or by law. The Board shall never adopt any motion or resolution, except in a meeting open to the public and then only at a regular meeting, duly convened at the prescribed time and place, or at a special meeting of which notice has been given according to the provisions of the foregoing section. Any action taken at meetings failing to comply with the provisions of this section shall be null and void.

Nothing in this section shall be construed to prevent the Board from holding executive sessions during a regular or special meeting to consider:

(i) ~~Advice of legal counsel concerning any matter subject to the attorney-client privilege including, but not limited to, pending or threatened litigation;~~To consider matters affecting national security;

(ii) ~~Selection~~To consider the selection of a site or the ~~purchase~~acquisition of real estate, ~~by lease or purchase~~ when ~~publicity~~public knowledge regarding such consideration would cause a likelihood of increased price;

(iii) ~~Disposition of~~To consider the minimum price at which real estate ~~by~~will be offered for sale or lease or sale when ~~publicity~~public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public;

(iv) ~~Negotiations~~To review negotiations on the performance of publicly- bid contracts when ~~publicity~~public knowledge regarding such consideration would cause a likelihood of increased costs;

(v) ~~The appointment, employment or dismissal of an officer or employee of the District;~~To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge;

(vi) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by the Board of salaries, wages, and other conditions of employment to be generally applied within the District shall occur in a meeting open to the public, and when the Board elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public;

(vii) To evaluate the qualifications of a candidate for appointment to elective office. However, any interview of such candidate and final action appointing a candidate to elective office shall be in a meeting open to the public;

(viii) To discuss with legal counsel representing the District matters relating to agency enforcement actions, or to discuss with legal counsel representing the District litigation or potential litigation to which the District, the Board, or a member of the Board acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the District. This subsection (viii) does not permit the Board to hold an executive session solely because an attorney representing the District is present. For purposes of this subsection (viii), "potential litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a) concerning;

(A) Litigation that has been specifically threatened to which the District, the Board, or a member of the Board acting in an official capacity is, or is likely to become, a party;

(B) Litigation that the District reasonably believes may be commenced by or against the District agency, the Board, or a member of the Board acting in an official capacity; or

(C) Litigation or legal risks of a proposed action or current practice that the District has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the District;

(ix) ~~(vi) The~~ To consider the granting, denial, reduction, termination or suspension of clinical privileges, or the medical staff membership of a physician or "other health care provider," as that term is defined in RCW 7.70.020, as now in effect or hereafter amended, if other health care providers in the discretion of the Board are determined eligible to be considered for such privileges or membership;

~~(vii) The hearing of complaints or charges brought against such an officer, employee, physician or other health care provider unless such person requests a public hearing;~~

~~(viii) Any other matter properly the subject of executive session under RCW 42.30.110, as now in effect or hereafter amended, or any other applicable law.~~

~~The Board also may exclude from any public meeting or executive session, during the examination of a witness on any such matter, any or all other witnesses in the matter being~~

~~investigated or under consideration. No action, as defined in this section, shall be taken in~~Before convening in executive session, the presiding officer of the Board shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the presiding officer.

Section 5. Quorum. A majority of the persons holding the office of District commissioner shall constitute a quorum of the Board for the transaction of business, but no resolution shall be adopted or other final action taken without a majority vote of the whole Commission.

Section 6. Committees. The Board may from time to time act as a committee of the whole or appoint such other committees as it may deem necessary or advisable in the conduct of its affairs or for other purposes it may specify. The activities of any committees so appointed shall be conducted lawfully and be recorded in written minutes. Chairpersons of such committees shall be appointed by the Board to serve for terms not to exceed one year, subject both to removal at the will of the Board and to reappointment in the sole discretion of the Board.

Section 7. Powers and Duties of the Board or Commission. The Board shall be the governing body ~~to which of the District and the superintendent (administrator) and other District employees, and the medical staff ultimately are responsible for all activities in the Hospital and the condition of the physical plant~~appointed by the Board as specified in Article III, Section 1, shall be responsible to the Board for the efficient administration of all affairs of the District. While the authority of the Board may be delegated to the superintendent ~~(administrator) and the medical staff~~ as specified in Article III, Section 1, and Article IV, respectively, or by resolution, any delegation of authority by the Board may be rescinded in its sole discretion.

All of the powers authorized in Chapter 70.44 RCW or other applicable statute may be exercised by the Board in the performance of its duties prescribed therein. Among other things, the Board shall strive to:

- (i) Determine the policies ~~of the District~~ and the purposes of the ~~Hospital~~District in proper relation to community needs;
- (ii) Provide services, facilities, equipment and personnel to meet the needs of ~~patients~~residents within the purposes of the ~~Hospital and such other health care facilities as may be provided~~District, and consistent with present and future community needs;
- (iii) Assure that an appropriate standard of professional care is maintained with due regard for quality of care and effective quality assurance mechanisms, ~~requiring the medical staff of the Hospital to be accountable to the Board and assuring that persons granted clinical privileges~~personnel possess appropriate current qualifications, and determining in its discretion which kinds of ~~health care providers~~programs shall be considered ~~for clinical privileges or medical staff membership~~;

(iv) Promote planning and coordinate ~~professional interests~~services with administrative, financial and community needs, the policies of the District, and the purposes of the ~~Hospital and such other health care facilities as may be provided~~District;

(v) Provide for the sound administration and application of public funds, adopting annual budgets for the District ~~and the Hospital~~ at the times and in the manner required by law;

(vi) Maintain accurate records of District finances and all related activities;

(vii) Exercise proper care and judgment in the selection of a qualified superintendent ~~(administrator)~~ who shall be responsible for implementing policies adopted by the Board; and

(viii) Evaluate its own performance.

Section 8. Avoidance of Conflicts of Interest. District commissioners, being aware of the fiduciary nature of their positions, shall avoid actions and relationships which could result in a conflict between their private financial interests and their public responsibilities. Commissioners shall not violate the conflict-of-interest provisions of these Bylaws, Chapters 42.20 and 42.23 RCW, or any other applicable statute.

Recognizing that even the appearance of impropriety should be avoided, no commissioner shall:

(i) Be beneficially interested in or otherwise expect to profit from, directly or indirectly, any contract, sale, lease or purchase made by the District, except as specifically permitted under RCW 42.23.030, as now in effect or hereafter amended, or under other applicable law;

(ii) Accept, directly or indirectly, any compensation, gratuity, favor or award from any party seeking to do business with the District, or in connection with any contract made by the District, other than (a) compensation and reimbursement for expenses as provided by law, or (b) compensation in connection with contracts permitted under RCW 42.23.030, as now in effect or hereafter amended, or under other applicable law;

(iii) Employ, use or appropriate any District employee, money or property for his or her private benefit;

(iv) Hold any office, engage in any employment or occupy any position, public or private, which could create conflicts between the duties,

interests and opportunities inherent in such office, employment or position and the commissioner's public responsibilities as a member of the Board;

(v) Reveal or divulge to any other party, unless authorized by the Board, any confidential information received in the performance of his or her duties as a commissioner, nor use such information for personal gain.

Any commissioner, upon discovering or suspecting that he or she has or may have a conflict of interest contrary to the policies and standards set forth in this section, shall promptly report the same to the Board.

ARTICLE III OTHER OFFICERS

Section 1. Superintendent-(Administrator).

1.1 Appointment. The Board shall select and appoint as superintendent ~~(administrator)~~ a competent and experienced ~~hospital administrator~~ chief executive officer who shall be its direct representative in the management of the ~~Hospital and the District~~. The superintendent ~~(administrator)~~ shall be appointed for an indefinite term, removable at the will of the Board, and shall receive such compensation as the Board shall establish by resolution. The appointment or removal of the superintendent ~~(administrator)~~ shall be by resolution of the Board, introduced at a regular meeting and adopted at a subsequent regular meeting by majority vote.

1.2 Powers and Duties. The superintendent ~~(administrator)~~ shall be the chief executive and administrative officer of the ~~Hospital and of the District~~. ~~In direct charge with full authority to act, as~~ As representative of the Board, and subject to its policies, ~~he the superintendent~~ shall be responsible for the efficient administration of all affairs of the ~~Hospital and the District~~ and shall be in direct charge with full authority to act.

In the performance of his or her duties prescribed by law, all of which shall be faithfully discharged, and not by way of limitation of his or her authority, the superintendent ~~(administrator)~~ shall:

(i) Perfect and submit to the Board for approval a plan of organization for the personnel concerned with the operation of ~~the Hospital and the District~~, which shall be periodically reviewed;

(ii) Prepare annually a budget or budgets showing anticipated receipts and expenditures for the ensuing fiscal year which shall be submitted to the Board to allow timely filing and hearing thereon before adoption as required by law;

(iii) Select, employ, control and discharge all employees authorized by the applicable budget, assuring that they are competent to perform their duties and establishing appropriate quality assurance mechanisms;

(iv) Assure that all buildings, equipment and other facilities are maintained in good repair;

(v) Furnish periodic recommendations to the Board with respect to the acquisition, development and extension of desirable ~~health care~~ facilities, equipment and services;

(vi) Supervise through the treasurer and auditor all business affairs including the disbursement of funds, recording of financial transactions, collection of accounts and purchase and issue of supplies;

(vii) Cooperate with ~~the medical~~ staff and secure like cooperation on the part of all those concerned with rendering professional services;

(viii) Submit regularly to the Board reports regarding the ~~health care~~ services and financial activities of the ~~Hospital and the District~~ along with any special reports that may be requested by the Board;

(ix) Prepare agenda for and attend all meetings of the Board at which he or she may participate in the discussion of matters being considered;

(x) Execute on behalf of the District all such contracts, agreements and other documents and papers as he or she may deem appropriate within the scope of his or her authority or be authorized by resolution of the Board to sign; and

(xi) Undertake on his or her own initiative the performance of such other duties, consistent with law and the policies of the Board, as may be in the best interest of ~~the Hospital and~~ the District.

Section 2. Auditor. The Board shall appoint as auditor of the District a person experienced in accounting and business practices.

The auditor shall report in the performance of his or her duties directly to the superintendent ~~(administrator)~~. The auditor shall draw, sign and issue all warrants for the disbursement of funds of the District upon the orders of, or vouchers approved by, the Commission; and shall perform such other duties relating to business affairs of the District including the recording of financial transactions, collection of accounts, and the routine purchase and issue of supplies, as are assigned by the superintendent ~~(administrator)~~.

Section 3. Treasurer. The Commission by resolution shall appoint and designate a person having experience in financial and fiscal matters as treasurer, subject to the requirement of an adequate bond with an authorized surety company.

The treasurer shall receive, deposit and disburse all funds of the District in the manner provided by law under the supervision of the superintendent-(administrator) and as directed by resolutions of the Board to the extent of its lawful discretion.

ARTICLE IV INDEMNIFICATION AND INSURANCE

Section 1. Indemnification. The District shall indemnify and hold harmless to the full extent permitted by applicable law each person who was or is made a party to or is threatened to be made a party to, or is involved (including, without limitation, as a witness) in an actual or threatened action, suit or other proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a commissioner, officer, employee or agent of the District, or having been such a commissioner, officer, employee or agent, he or she is or was serving at the request of the District as a director, officer, employee, agent, trustee or in any other capacity of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or omission in an official capacity or in any other capacity while serving as a commissioner, officer, employee, agent, trustee or any other capacity, against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties in amounts to be paid in settlement) actually or reasonably incurred or suffered by such person in connection therewith. Such indemnification may continue as to a person who has ceased to be a commissioner, officer, employee or agent of the District and shall inure to the benefit of his or her heirs, and personal representatives.

Section 2. Insurance. The District may purchase and maintain insurance, at its expense, to protect itself and any commissioner, officer, employee, agent or trustee of the District or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss to the full extent permitted by applicable law.

ARTICLE V — MEDICAL STAFF

~~Section 1. Appointment and Organization. The members of the medical staff of the Hospital shall be appointed biennially by the Board after considering recommendations duly submitted in accordance with the medical staff bylaws; provided, that all initial appointments shall be provisional and that all appointments to the provisional medical staff shall be for a period of twelve months. Such bylaws, rules and regulations governing the appointment, organization and activities of the medical staff, including the procedures for the granting, denial, reduction or termination of staff privileges and the identification of the kinds of health care providers eligible to be considered for such privileges or medical staff membership, shall be subject to approval and revision or modification by the Board, and shall assure that the requirements of due process of law are observed.~~

~~Section 2. Powers and Duties. Mindful that each person admitted to the Hospital shall be under the care of a member of the medical staff possessing clinical privileges, such staff also shall have authority and responsibility in the manner prescribed by its bylaws, rules and regulations to:~~

~~(i) Evaluate the professional competence of medical staff members and applications for clinical privileges;~~

~~(ii) Make recommendations to the Board concerning initial medical staff appointments, reappointments and the granting, denial, reduction or termination of clinical privileges;~~

~~(iii) Establish procedures designed to promote the achievement and maintenance of an appropriate standard of ethical and professional practice, and the efficient use of District resources;~~

~~(iv) Participate and offer recommendations in the development of policies relative to the effective use of existing facilities, and provision for the improvement or extension thereof where appropriate, to assure adequate patient care, responsive to the needs of the population served, now and in the future.~~

~~(v) Supervise a medical education program in the Hospital and render such other services as the Board may consider desirable to enhance the standards of medical practice in the Hospital.~~

~~(vi) Be accountable to the Board for the proper discharge of the duties set forth in this section.~~

ARTICLE V ~~ARTICLE VI~~ CONSTRUCTION, INTERPRETATION AND CONVENTIONS

Section 1. Gender and Number. As used in these Bylaws, personal pronouns shall be interpreted to refer to persons of either gender and relative words whenever applicable to more than one person shall be read as if written in the plural.

Section 2. Titles, Headings and Captions. The titles, headings and captions appearing in these Bylaws are used and intended for convenience of description or reference only and shall not be construed or interpreted to limit, restrict or define the scope or effect of any provision.

Section 3. Severability. If any provision of these Bylaws, or its application to any person or circumstance, is held invalid by a court of competent jurisdiction, the remainder of these Bylaws, or the application of the provision to other persons or circumstances, shall not be affected.

ARTICLE VI ~~ARTICLE VII~~ REVIEW AND AMENDMENT

These Bylaws shall be reviewed by the Board on an annual basis at its regular meeting in December. These Bylaws may be amended at any time by resolution of the Board introduced at a regular meeting and adopted at a subsequent regular meeting.

ADOPTED this ~~22nd~~ 27th day of ~~June, 2005~~ February, 2013.

President ~~&~~and Commissioner

Commissioner

Commissioner

Commissioner

Secretary ~~&~~and Commissioner

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 2013-01

A resolution of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington (the "District"), adopting and approving amended and restated governing board bylaws of the District.

WHEREAS, RCW 70.44.050 requires the Board of Commissioners to adopt by resolution rules governing the transaction of its business; and

WHEREAS, the Board of Commissioners has previously adopted bylaws to govern the transaction of its business; and

WHEREAS, the Board of Commissioners wishes amend and restate the bylaws to conform the provisions of the bylaws to the District's current operations and changes in applicable law; and

WHEREAS, Article VII of the current governing board bylaws provides that the bylaws may be amended at any time by resolution of the Board introduced at a regular meeting and adopted at a subsequent regular meeting; and

WHEREAS, this resolution was introduced at a regular meeting of the Commission held on January 23, 2013; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON, that Amended and Restated Bylaws of Public Hospital District No. 2, Snohomish County, Washington, in the form attached hereto as Exhibit A are hereby adopted and approved.

ADOPTED AND APPROVED by the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington, at an open public meeting thereof, this 27th day of February, 2013, the following commissioners being present and voting in favor of the resolution.

President and Commissioner

Commissioner

Commissioner

Commissioner

Secretary and Commissioner

I, FRED LANGER, Secretary to the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington, certify that the attached copy of Resolution No. 2013-01 is a true and correct copy of the original resolution adopted on February 27, 2013, as that resolution appears on the Minute Book of the District.

DATED this 27th day of February, 2013.

Fred Langer
Secretary to the Board of Commissioners

AMENDED AND RESTATED BYLAWS
OF
PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

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AMENDED AND RESTATED BYLAWS

OF

PUBLIC HOSPITAL DISTRICT NO. 2 SNOHOMISH COUNTY, WASHINGTON

ARTICLE I FORMATION AND PURPOSE

This public hospital district (the “District”), a municipal corporation, was created in 1962 to provide hospital and health care services for the residents of the District and other persons. The activities of the District shall be conducted in conformity with the Constitution and laws of the State of Washington, including Chapter 70.44 RCW, as now in effect or hereafter amended. These Bylaws are adopted in furtherance of the lawful purposes of the District including the providing of health care services appropriate to the needs of the population served.

ARTICLE II BOARD OF COMMISSIONERS

Section 1. Qualification and Election. No person shall be eligible to be elected to the office of public hospital district commissioner unless he or she is a registered voter within the boundaries of the District. All District commissioners shall be elected and serve in the manner and for the term prescribed by law.

Section 2. Organization and Officers of the Board of Commissioners. The five-member Board of Commissioners (the “Board” or the “Commission”) shall at its first regular meeting in each calendar year organize by election from its own members, a President and Secretary. Such election shall be by a majority vote of the commissioners in each case. The terms of both officers shall be for one year.

2.1 The President shall act as the presiding officer at meetings of the Board and shall execute on behalf of the District all contracts, agreements and other documents and papers duly authorized by the Board that may require his or her signature.

2.2 The Secretary shall prepare, or cause to be prepared, minutes of all regular and special meetings of the Board, shall sign the same and shall keep them in a proper book for that purpose. The Secretary shall have charge of the official seal of the District and shall affix or cause to be affixed such seal to any documents requiring it, attesting the same. In the absence of the President, the Secretary shall preside at Board meetings.

2.3 If a vacancy occurs in the office of either the President or the Secretary, an election of officers shall take place at the next regular meeting of the Board to fill the unexpired term created by the vacancy. All members of the Board, whether elected or

appointed, shall be required to take an oath of office in the form prescribed by the laws of the State of Washington relating to public officials.

2.4 A vacant commissioner position may be filled by the Board appointing a new member in the manner prescribed by law.

Section 3. Meetings of the Board or Commission.

3.1 Regular meetings of the Board shall be held monthly on the fourth Wednesday of each month, at 8:00 o'clock A.M. In the event a regular meeting falls on a holiday, such meeting shall be held on the next business day.

3.2 Special meetings

a. A special meeting may be called at any time by the presiding officer of the Board or by a majority of the members of the Board by delivering written notice personally, by mail, by fax, or by electronic mail to each member of the Board. Written notice shall be deemed waived in the following circumstances: (1) a commissioner submits a written waiver of notice to the secretary of the Board at or prior to the time the meeting convenes, which may be given by telegram, fax, or electronic mail; or (2) a commissioner is actually present at the time the meeting convenes.

b. Notice of a special meeting called under subsection (a) of this section shall be: (1) delivered to each local newspaper of general circulation and local radio or television station that has on file with the Board a written request to be notified of such special meeting or of all special meetings; (2) posted on the District's web site. The District shall not be required to post a special meeting notice on its web site if it (i) does not have a web site; (ii) employs fewer than ten full-time equivalent employees; or (iii) does not employ personnel whose duty, as defined by a job description or existing contract, is to maintain or update the web site; and (3) prominently displayed at the main entrance of the District's principal location and the meeting site if it is not held at the agency's principal location. Such notice must be delivered or posted, as applicable, at least twenty-four hours before the time of such meeting as specified in the notice.

c. The call and notices required under subsections (a) and (b) of this section shall specify the time and place of the special meeting and the business to be transacted. Final disposition shall not be taken on any other matter at such meetings by the Board.

The notices provided in this section may be dispensed with in the event a special meeting is called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, when time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage.

3.3 The order of business at meetings of the Commission shall be as follows:

a. Regular Meetings

- (i) Call to order
- (ii) Reading and approval of minutes of the last regular meeting and any intervening special meeting and approval of any other matters on the consent agenda
- (iii) Reports
- (iv) Consideration of items on the agenda or other matters properly before the Board and action thereon

(v) Adjournment

b. Special Meetings

- (i) Call to order
- (ii) Reading of the notice calling the meeting
- (iii) Consideration of matters stated in the notice and action thereon
- (iv) Adjournment

Section 4. Action by the Board. As used herein, “action” means the transaction of the official business of the District by the Board including but not limited to receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations, and final actions. "Final action" means a collective positive or negative decision, or an actual vote by a majority of the members of the Board when sitting as a body or entity, upon a motion, proposal or resolution.

All final action taken by the Board shall be by motion or resolution recorded in a book or books kept for such purposes. Minutes of all regular and special meetings, except executive sessions thereof, shall be promptly recorded and shall be open to public inspection.

All meetings at which action is taken by the Board shall be open and public and all persons shall be permitted to attend any meeting of the Board, except as otherwise provided in this section or by law. The Board shall never adopt any motion or resolution, except in a meeting open to the public and then only at a regular meeting, duly convened at the prescribed time and place, or at a special meeting of which notice has been given according to the provisions of the foregoing section. Any action taken at meetings failing to comply with the provisions of this section shall be null and void.

Nothing in this section shall be construed to prevent the Board from holding executive sessions during a regular or special meeting to consider:

- (i) To consider matters affecting national security;
- (ii) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price;
- (iii) To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public;
- (iv) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs;
- (v) To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge;
- (vi) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by the Board of salaries, wages, and other conditions of employment to be generally applied within the District shall occur in a meeting open to the public, and when the Board elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public;
- (vii) To evaluate the qualifications of a candidate for appointment to elective office. However, any interview of such candidate and final action appointing a candidate to elective office shall be in a meeting open to the public;
- (viii) To discuss with legal counsel representing the District matters relating to agency enforcement actions, or to discuss with legal counsel representing the District litigation or potential litigation to which the District, the Board, or a member of the Board acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the District. This subsection (viii) does not permit the Board to hold an executive session solely because an attorney representing the District is present. For purposes of this subsection (viii),

"potential litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a) concerning:

(A) Litigation that has been specifically threatened to which the District, the Board, or a member of the Board acting in an official capacity is, or is likely to become, a party;

(B) Litigation that the District reasonably believes may be commenced by or against the District agency, the Board, or a member of the Board acting in an official capacity; or

(C) Litigation or legal risks of a proposed action or current practice that the District has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the District;

(ix) To consider the granting, denial, reduction, termination or suspension of clinical privileges, or the medical staff membership of a physician or "other health care provider," as that term is defined in RCW 7.70.020, as now in effect or hereafter amended, if other health care providers in the discretion of the Board are determined eligible to be considered for such privileges or membership.

Before convening in executive session, the presiding officer of the Board shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the presiding officer.

Section 5. Quorum. A majority of the persons holding the office of District commissioner shall constitute a quorum of the Board for the transaction of business, but no resolution shall be adopted or other final action taken without a majority vote of the whole Commission.

Section 6. Committees. The Board may from time to time act as a committee of the whole or appoint such other committees as it may deem necessary or advisable in the conduct of its affairs or for other purposes it may specify. The activities of any committees so appointed shall be conducted lawfully and be recorded in written minutes. Chairpersons of such committees shall be appointed by the Board to serve for terms not to exceed one year, subject both to removal at the will of the Board and to reappointment in the sole discretion of the Board.

Section 7. Powers and Duties of the Board or Commission. The Board shall be the governing body of the District and the superintendent appointed by the Board as specified in Article III, Section 1, shall be responsible to the Board for the efficient administration of all affairs of the District. While the authority of the Board may be delegated to the superintendent as specified in Article III, Section 1, and Article IV, respectively, or by resolution, any delegation of authority by the Board may be rescinded in its sole discretion.

All of the powers authorized in Chapter 70.44 RCW or other applicable statute may be exercised by the Board in the performance of its duties prescribed therein. Among other things, the Board shall strive to:

- (i) Determine the policies and the purposes of the District in proper relation to community needs;
- (ii) Provide services, facilities, equipment and personnel to meet the needs of residents within the purposes of the District, and consistent with present and future community needs;
- (iii) Assure that an appropriate standard of professional care is maintained with due regard for quality of care and effective quality assurance mechanisms, and assuring that personnel possess appropriate current qualifications, and determining in its discretion which kinds of programs shall be considered;
- (iv) Promote planning and coordinate services with administrative, financial and community needs, the policies of the District, and the purposes of the District;
- (v) Provide for the sound administration and application of public funds, adopting annual budgets for the District at the times and in the manner required by law;
- (vi) Maintain accurate records of District finances and all related activities;
- (vii) Exercise proper care and judgment in the selection of a qualified superintendent who shall be responsible for implementing policies adopted by the Board; and
- (viii) Evaluate its own performance.

Section 8. Avoidance of Conflicts of Interest. District commissioners, being aware of the fiduciary nature of their positions, shall avoid actions and relationships which could result in a conflict between their private financial interests and their public responsibilities. Commissioners shall not violate the conflict-of-interest provisions of these Bylaws, Chapters 42.20 and 42.23 RCW, or any other applicable statute.

Recognizing that even the appearance of impropriety should be avoided, no commissioner shall:

- (i) Be beneficially interested in or otherwise expect to profit from, directly or indirectly, any contract, sale, lease or purchase made by the

District, except as specifically permitted under RCW 42.23.030, as now in effect or hereafter amended, or under other applicable law;

(ii) Accept, directly or indirectly, any compensation, gratuity, favor or award from any party seeking to do business with the District, or in connection with any contract made by the District, other than (a) compensation and reimbursement for expenses as provided by law, or (b) compensation in connection with contracts permitted under RCW 42.23.030, as now in effect or hereafter amended, or under other applicable law;

(iii) Employ, use or appropriate any District employee, money or property for his or her private benefit;

(iv) Hold any office, engage in any employment or occupy any position, public or private, which could create conflicts between the duties, interests and opportunities inherent in such office, employment or position and the commissioner's public responsibilities as a member of the Board;

(v) Reveal or divulge to any other party, unless authorized by the Board, any confidential information received in the performance of his or her duties as a commissioner, nor use such information for personal gain.

Any commissioner, upon discovering or suspecting that he or she has or may have a conflict of interest contrary to the policies and standards set forth in this section, shall promptly report the same to the Board.

ARTICLE III OTHER OFFICERS

Section 1. Superintendent.

1.1 Appointment. The Board shall select and appoint as superintendent a competent and experienced chief executive officer who shall be its direct representative in the management of the District. The superintendent shall be appointed for an indefinite term, removable at the will of the Board, and shall receive such compensation as the Board shall establish by resolution. The appointment or removal of the superintendent shall be by resolution of the Board, introduced at a regular meeting and adopted at a subsequent regular meeting by majority vote.

1.2 Powers and Duties. The superintendent shall be the chief executive and administrative officer of the District. As representative of the Board, and subject to its policies, the superintendent shall be responsible for the efficient administration of all affairs of the District and shall be in direct charge with full authority to act.

In the performance of his or her duties prescribed by law, all of which shall be faithfully discharged, and not by way of limitation of his or her authority, the superintendent shall:

(i) Perfect and submit to the Board for approval a plan of organization for the personnel concerned with the operation of the District, which shall be periodically reviewed;

(ii) Prepare annually a budget or budgets showing anticipated receipts and expenditures for the ensuing fiscal year which shall be submitted to the Board to allow timely filing and hearing thereon before adoption as required by law;

(iii) Select, employ, control and discharge all employees authorized by the applicable budget, assuring that they are competent to perform their duties and establishing appropriate quality assurance mechanisms;

(iv) Assure that all buildings, equipment and other facilities are maintained in good repair;

(v) Furnish periodic recommendations to the Board with respect to the acquisition, development and extension of desirable facilities, equipment and services;

(vi) Supervise through the treasurer and auditor all business affairs including the disbursement of funds, recording of financial transactions, collection of accounts and purchase and issue of supplies;

(vii) Cooperate with staff and secure like cooperation on the part of all those concerned with rendering professional services;

(viii) Submit regularly to the Board reports regarding the services and financial activities of the District along with any special reports that may be requested by the Board;

(ix) Prepare agenda for and attend all meetings of the Board at which he or she may participate in the discussion of matters being considered;

(x) Execute on behalf of the District all such contracts, agreements and other documents and papers as he or she may deem appropriate within the scope of his or her authority or be authorized by resolution of the Board to sign; and

(xi) Undertake on his or her own initiative the performance of such other duties, consistent with law and the policies of the Board, as may be in the best interest of the District.

Section 2. Auditor. The Board shall appoint as auditor of the District a person experienced in accounting and business practices.

The auditor shall report in the performance of his or her duties directly to the superintendent. The auditor shall draw, sign and issue all warrants for the disbursement of funds of the District upon the orders of, or vouchers approved by, the Commission; and shall perform such other duties relating to business affairs of the District including the recording of financial transactions, collection of accounts, and the routine purchase and issue of supplies, as are assigned by the superintendent.

Section 3. Treasurer. The Commission by resolution shall appoint and designate a person having experience in financial and fiscal matters as treasurer, subject to the requirement of an adequate bond with an authorized surety company.

The treasurer shall receive, deposit and disburse all funds of the District in the manner provided by law under the supervision of the superintendent and as directed by resolutions of the Board to the extent of its lawful discretion.

ARTICLE IV INDEMNIFICATION AND INSURANCE

Section 1. Indemnification. The District shall indemnify and hold harmless to the full extent permitted by applicable law each person who was or is made a party to or is threatened to be made a party to, or is involved (including, without limitation, as a witness) in an actual or threatened action, suit or other proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a commissioner, officer, employee or agent of the District, or having been such a commissioner, officer, employee or agent, he or she is or was serving at the request of the District as a director, officer, employee, agent, trustee or in any other capacity of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or omission in an official capacity or in any other capacity while serving as a commissioner, officer, employee, agent, trustee or any other capacity, against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties in amounts to be paid in settlement) actually or reasonably incurred or suffered by such person in connection therewith. Such indemnification may continue as to a person who has ceased to be a commissioner, officer, employee or agent of the District and shall inure to the benefit of his or her heirs, and personal representatives.

Section 2. Insurance. The District may purchase and maintain insurance, at its expense, to protect itself and any commissioner, officer, employee, agent or trustee of the District or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss to the full extent permitted by applicable law.

ARTICLE V CONSTRUCTION, INTERPRETATION AND CONVENTIONS

Section 1. Gender and Number. As used in these Bylaws, personal pronouns shall be interpreted to refer to persons of either gender and relative words whenever applicable to more than one person shall be read as if written in the plural.

Section 2. Titles, Headings and Captions. The titles, headings and captions appearing in these Bylaws are used and intended for convenience of description or reference only and shall not be construed or interpreted to limit, restrict or define the scope or effect of any provision.

Section 3. Severability. If any provision of these Bylaws, or its application to any person or circumstance, is held invalid by a court of competent jurisdiction, the remainder of these Bylaws, or the application of the provision to other persons or circumstances, shall not be affected.

ARTICLE VI REVIEW AND AMENDMENT

These Bylaws shall be reviewed by the Board on an annual basis at its regular meeting in December. These Bylaws may be amended at any time by resolution of the Board introduced at a regular meeting and adopted at a subsequent regular meeting.

ADOPTED this 27th day of February, 2012.

President and Commissioner

Commissioner

Commissioner

Commissioner

Secretary and Commissioner

Balance Sheet

As of January 31, 2013

	<u>Dec 31, 2012</u>	<u>Jan 31, 2013</u>	<u>\$ Change</u>	<u>Comments:</u>
ASSETS				
Current Assets				
1 Total Cash Balance	1,451,628	1,088,241	(363,387)	
2 Total Accounts Receivable	776,302	447,502	(328,801)	Payment by S/E received
Other Current Assets				
3 Total Misc Current Assets	11,181	11,181	-	BofA Unamortized Financing Costs
4 Total Investments	40,128,375	40,906,239	777,864	
5 Total Other Miscellaneous Receivables	652,089	811,205	159,117	M&O Tax Levy Recv
6 Total Prepaid Expenses & Others	26,660	10,426	(16,234)	
7 Total Other Current Assets	<u>40,818,304</u>	<u>41,739,051</u>	<u>920,747</u>	
8 Total Current Assets	43,046,235	43,274,794	228,559	
9 Total Fixed Assets	26,155,490	25,805,551	(349,939)	
10 Total Financing & Lease Costs	408,772	408,498	(274)	
11 Total Other Assets	<u>6,399,306</u>	<u>6,398,374</u>	<u>(932)</u>	
TOTAL ASSETS	<u>76,009,803</u>	<u>75,887,217</u>	<u>(122,586)</u>	

Balance Sheet

As of January 31, 2013

	<u>Dec 31, 2012</u>	<u>Jan 31, 2013</u>	<u>\$ Change</u>	<u>Comments:</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
12	Total Accounts Payable	106,827	83,415	(23,413)
13	Total Credit Cards	90	924	834
Other Current Liabilities				
14	Total Accrued Salary & Benefits	34,234	36,498	2,265
15	Total Estimated 3rd Party Settlements	720,000	720,000	-
16	Interest & Orig Issue Premium	511,237	526,238	15,001 2012 LTGO Bonds
17	Total Other Payables & Accruals	202,152	128,001	(74,151) P/L & W/C Settlements & Net S/E Payable
18	Current Portion of L-T Debt	720,000	720,000	- Annual Bond Payment due Dec 1
19	Total Other Current Liabilities	2,187,623	2,130,737	(56,885)
20	Total Current Liabilities	2,294,540	2,215,076	(79,465)
Long-term Liabilities				
21	Total Long-term Debt - Operations	5,905,000	5,905,000	- 2012 LTGO Bonds
22	Total Other Long-term Liabilities	566,147	566,147	- P/L & W/C Reserve
23	Total Long-term Liabilities	6,471,147	6,471,147	-
24	Total Liabilities	8,765,687	8,686,222	(79,465)
25	Total Equity	67,244,116	67,200,995	(43,122) Net Income
TOTAL LIABILITIES & EQUITY		76,009,803	75,887,217	(122,586)

Public Hospital District #2 of Snohomish County

DRAFT

Profit Loss

January 2013

	Dec 2012	Jan 2013	\$ Change	Comments:
Ordinary Income/Expense				
1 Total Income	3,408,748	830,492	(2,578,256)	Dec includes Deferred S/E Revenue per schedule
Expenses				
Operating Expenses				
2 Total Salaries & Benefits	49,979	50,711	732	
3 Total Workers Comp	19,845	7,116	(12,729)	
4 Total Depreciation	416,909	349,939	(66,970)	
5 Total Insurance	1,234	1,234	(0)	
6 Total Interest Expense	29,491	15,298	(14,193)	
7 Total Professional Services	20,646	18,467	(2,179)	
8 Total Purchased Services	1,649	1,895	246	
9 Rent Expense	2,900	2,900	-	
10 Total Other Expenses	8,511	1,186	(7,324)	
11 Total Supplies	180	304	125	
12 Total Taxes	29,121	955	(28,166)	
13 Total Utilities	642	531	(112)	
14 Total Operating Expenses	581,107	450,536	(130,571)	
Program Expenses				
15 Total Program Expenses	200,798	213,235	12,437	
16 Total Expense	781,905	663,771	(118,135)	
17 Net Ordinary Income	2,626,842	166,721	(2,460,121)	
Other Income/Expense				
Other Income				
18 Total General Obligation Bonds	(35,883)	1,250	37,133	Revenue in Dec recognized in 2011
19 Total Non Operating Revenue	750,567	(211,093)	(961,660)	Loss on Investment
20 Total Other Income/Expense	714,685	(209,843)	(924,527)	
Net Income	3,341,527	(43,122)	(3,384,649)	

Public Hospital District #2 of Snohomish County
Profit Loss Budget vs. Actual

DRAFT

January 2013

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
	<u>Jan 2013</u>	<u>Jan 2013 Budget</u>	<u>Over/(Under) Budget</u>	<u>% of Budget</u>
Operating Revenues				
1 M&O Tax Levy	166,417	171,356	(4,939)	97.1%
2 Rental Income	660,183	660,240	(57)	100.0%
3 Pavilion Ground Lease Income	3,892	3,892	-	100.0%
4 Other Operating Income	-	-	-	0.0%
5 Total Operating Revenues	830,492	835,488	(4,996)	99.4%
Operating Expenses				
6 Salaries	42,957	44,834	(1,877)	95.8%
7 Benefits	7,753	7,134	619	108.7%
8 Workers Comp	7,116	4,875	2,241	146.0%
9 Insurance	1,234	2,166	(932)	57.0%
10 Interest Expense	15,298	18,896	(3,598)	81.0%
11 Amortization	-	2,822	(2,822)	0.0%
12 Rent Expense	2,900	2,900	-	100.0%
13 Consulting	13,500	15,000	(1,500)	90.0%
14 Legal	1,347	3,333	(1,986)	40.4%
15 Accounting/Auditing	1,700	5,417	(3,716)	31.4%
16 Other Professional Services	1,920	834	1,086	230.2%
17 Purchased Services	1,895	5,300	(3,405)	35.8%
18 Supplies	304	1,300	(996)	23.4%
19 License and Tax	955	-	955	100.0%
20 Utilities	531	548	(17)	96.8%
21 Miscellaneous Expenses	1,186	3,342	(2,156)	35.5%
22 Total Operating Expenses	100,597	118,700	(18,103)	84.7%
23 Community Program Investments	213,235	525,000	(311,765)	40.6%
24 Net Ordinary Income	516,660	191,788	324,872	269.4%
Other Income/(Expense)				0.0%
25 2003 GO Tax Levy	1,250	-	1,250	100.0%
26 Investment Income	87,163	90,000	(2,837)	96.8%
27 Unrealized G/L on Investment	(309,284)	-	(309,284)	100.0%
28 Other Income (Expense)	11,028	-	11,028	100.0%
29 Total Other Income/(Expense)	(209,843)	90,000	(299,843)	-233.2%
30 Net Income (Before Depreciation)	306,817	281,788	25,029	108.9%
31 Depreciation	349,939	351,311	(1,372)	99.6%
32 Net Income (After Depreciation)	(43,122)	(69,523)	26,401	62.0%

Public Hospital District #2 of Snohomish County
Summary of Cash Receipts and Disbursements
January 2013

	Jan 2013	
	Amount	
Receipts:		
Other Rental Income	26,222.92	Value Village
Swedish/Edmonds Rental Income	636,539.99	
Snohomish County Tax Levy	8,326.81	
Ground Lease Payments	4,166.67	
Misc. Reimbursements/Refunds	341,886.46	Reimbursements, Swedish Edmonds Settlements and Interest Income
Total Receipts	<u>1,017,142.85</u>	
Disbursements:		
Professional Services:		
Legal Fees	69,375.30	Litigation and Professional Liability Legal Fees
Accounting Fees	14,340.83	Ash Consulting, Moss Adams, WA State Auditors
Consulting Fees	25,750.00	Howard Thomas Dec 2012 & Jan 2013 & Superintendent Salary Analysis
Professional Services	192.50	Benefit Solutions Administrator, IT support
Purchased Services	1,442.71	Paychex, Bank Service Fees
Payroll	26,157.54	2 pay periods Plus Benefit Solutions & United Way Contributions
Payroll Taxes	11,011.34	2 pay periods
Employee Insurance	3,725.57	Regence Medical & Dental, Principal Life
Employee Retirement Contributions	3,611.48	Valic
Program Expenditures	198,902.88	Includes Pertussis, 6WTHY & Community Needs Assessment
Workers Compensation	11,070.33	L&I Self Insurance Fund & Eberle Vivian
Other Miscellaneous Expenses	14,949.32	Supplies, Rent, Canon Lease, Dues, Interest Expense, B&O
Total Disbursements	<u>380,529.80</u>	

Public Hospital District #2**Cash Activity**

Warrant Number	Transaction Date	Payee	Amount	Purpose
Warrant Activity:				
10177	1/8/2013	Ace Internet Services, Inc.	169.50	IT Support
10178	1/8/2013	Ash Consulting	3,075.00	Accounting Consulting
10179	1/8/2013	Electronic Business Machines	928.48	Copy Machine Maintenance
10180	1/8/2013	Foster Pepper	585.00	Legal
10181	1/8/2013	Lynnwood Convention Center	20,400.00	Convention Center Rental for 6WTHY 2013 - Program
10182	1/8/2013	Swedish Medical Center	668.00	Tdap Vaccine Clinic - Program
10183	1/8/2013	The Daily Herald	240.80	Legal Notices
10184	1/8/2013	WA Department of Revenue	8,951.67	4Q12 Leasehold Excise Tax
10185	1/8/2013	UNITED WAY	479.50	Employee Charitable Contributions
10186	1/16/2013	Daily Journal of Commerce	314.50	Legal Notices
10187	1/16/2013	Eberle Vivian	3,750.00	Workers Compensation Administration
10188	1/16/2013	FedEx	125.42	Postage
10189	1/16/2013	Lynnwood PFD	283.47	Janitorial
10190	1/16/2013	SCCFOA	25.00	Membership Dues
10191	1/16/2013	Thomas & Associates	24,000.00	Consulting Dec 2012 & Jan 2013
10192	1/16/2013	Benefit Solutions Inc	23.00	FSA Administration
10193	1/16/2013	State Auditor's	9,690.83	Professional Services - Audit
10194	1/16/2013	Washington Employers	382.50	Membership Dues
10195	1/23/2013	Department of Labor and Industries	7,320.33	4Q12 Workers Compensation - Self Insurance
10196	1/23/2013	Regence BlueShield	3,125.30	Employee Medical/Dental Insurance
10197	1/23/2013	Strategic Learning Resources, Inc.	14,099.40	Community Needs Assessment - Programs
10198	1/23/2013	Quality Reimbursement Services	68,197.00	Contingency Fee for Medicare Part C Settlement 2000, 2001, 2003
10199	1/23/2013	Canon Financial Services	301.13	Copy Machine Lease
10200	1/23/2013	Lynnwood PFD	2,900.00	Rent
10201	1/23/2013	Moss Adams - Audit	1,575.00	Professional Services - Audit
10202	1/23/2013	Staples	119.05	Supplies
10203	1/30/2013	Comcast	317.31	Internet
10204	1/30/2013	Morgan Consulting Resources, Inc.	1,750.00	Superintendent Salary Analysis
10205	1/30/2013	Principal Financial Group	600.27	Employee Life Insurance
10206	1/30/2013	Wells Fargo	75.00	Miscellaneous
10207	1/30/2013	Wells Fargo	225.42	Miscellaneous
Total Warrants			<u>174,697.88</u>	

Professional Liability Claims Activity:

380000457	Jan 2013	Various Claimants/Vendors	<u>38.00</u>	Administered by Sedgwick
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	Date	Payee	Amount	Purpose
Wire/ACH Activity:				
	1/11/2013	Payroll	12,508.60	ACH payroll transfer
	1/11/2013	Department of Treasury	5,297.46	Payroll taxes for 1/5/13 pay period ending
	1/11/2013	Paychex	66.40	Fee for payroll processing
	1/11/2013	Valic	1,814.74	Payroll 401(a)/457 Deposit
	1/25/2013	Payroll	12,972.19	ACH payroll transfer
	1/25/2013	Department of Treasury	5,322.30	Payroll taxes for 1/19/13 pay period ending
	1/25/2013	Paychex	234.10	Fee for payroll processing
	1/25/2013	Valic	1,796.74	Payroll 401(a)/457 Deposit
	1/11/2013	Wells Fargo	360.89	Bank Service Fee
	1/11/2013	Wells Fargo	52.33	Bank Service Fee
	1/11/2013	Wells Fargo	53.07	Bank Service Fee
	1/15/2013	Bank of America - Fees	675.92	Bank Service Fee
	1/15/2013	American Heart Association	15,000.00	Program Payment
	1/15/2013	Boys & Girls Club of Snohomish County	9,328.25	Program Payment
	1/15/2013	Center for Human Services	13,523.67	Program Payment
	1/15/2013	City of Lynnwood	6,455.67	Program Payment
	1/15/2013	City of Mountlake Terrace	350.00	Program Payment
	1/15/2013	Community Health Center of Snohomish Co	8,333.33	Program Payment
	1/15/2013	Domestic Violence Services Snohomish Co	1,621.08	Program Payment
	1/15/2013	Edmonds School District No. 15	28,056.82	Program Payment
	1/15/2013	Edmonds Senior Center	2,025.00	Program Payment
	1/15/2013	Little Red Schoolhouse	22,000.00	Program Payment
	1/15/2013	Medical Teams International	4,000.00	Program Payment
	1/15/2013	Parent Trust for WA Children	2,083.33	Program Payment
	1/15/2013	Program for Early Parent Support	3,333.33	Program Payment
	1/15/2013	Project Access Northwest	6,666.67	Program Payment
	1/15/2013	Providence Hospice & Home Care Foundation	12,916.67	Program Payment
	1/15/2013	Puget Sound Christian Clinic	6,250.00	Program Payment
	1/15/2013	Senior Services of Snohomish County	11,208.33	Program Payment
	1/15/2013	YWCA of Seattle, King and Snohomish Co	4,166.66	Program Payment
	1/15/2013	Cascade Bicycle Club Education Foundation	6,416.67	Program Payment
	1/2/2013	Benefit Solutions Inc.	38.50	FSA Payments
	1/6/2013	Benefit Solutions Inc.	154.74	FSA Payments
	1/23/2013	Benefit Solutions Inc.	4.01	FSA Payments
	1/22/2013	Department of Labor and Industries	391.58	4Q12 Workers Compensation - State Fund
	1/28/2013	WA Department of Revenue	314.87	B&O tax for 2012 6WTHY Program Revenue
		Total Wires/ACH Transactions	205,793.92	
		Total Disbursements	\$ 380,529.80	

Deposits:	Date	Payer	Amount	Purpose
	1/1/2013	Swedish/Edmonds	636,539.99	Monthly lease
	1/1/2013	Value Village	26,222.92	Monthly lease
	1/4/2013	Robert E Knowles	150.00	Reimbursement for S/E Gala Ticket
	1/4/2013	Fred Langer	152.39	Reimbursement for Personal Charges at Retreat
	1/10/2013	Snohomish County	8,326.81	Levy
	1/16/2013	Bank of America - Fees	116.78	Refund for overcharged fees
	1/17/2013	Thomas & Associates	48.00	Reimbursement for Personal Charges at Retreat
	1/17/2013	PFD - Copies	104.25	Copies
	1/18/2013	Swedish - Misc Receivables	340,985.00	Payment of Settlement
	1/24/2013	Healthcare Realty Services, Inc.	4,166.67	Monthly lease
	1/29/2013	WA Department of Revenue	314.87	Return payment (error)
	1/31/2013	Wells Fargo	14.72	Interest Income
	1/31/2013	Comerica Bank	0.45	Interest Income
		Total Deposits	\$ 1,017,142.85	

VERDANT HEALTH COMMISSION
PUBLIC HOSPITAL DISTRICT #2
SNOHOMISH COUNTY, WASHINGTON

WARRANT APPROVAL

We, the undersigned Board of Commissioners of Public Hospital District #2 of Snohomish County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that Warrant Numbers 10177 through 10207 have been issued for payment in the amount of \$174,697.88. These warrants are hereby approved.

Attest:

Lisa M. King

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Warrants Processed:	1-1-13 – 1-31-13		174,697.88
Prof. Liability Claims Pd:	1-1-13 – 1-31-13		38.00
Payroll:	12-23-12 – 1-5-13	12,508.60	
	1-6-13 – 1-19-13	<u>12,972.19</u>	
			25,480.79
Electronic Payments:	Payroll Taxes	11,011.34	
	Paychex	300.50	
	Valic Retirement	3,611.48	
	Benefit Solutions	197.25	
	Bank Fees	1,142.21	
	WA Dept Revenue Taxes	314.87	
	Program Expenditures	<u>163,735.48</u>	
			<u>205,793.92</u>
	Grand Total		<u><u>\$380,529.80</u></u>

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON
RESOLUTION NO. 2013-02

A RESOLUTION of the Commission of Public Hospital District No. 2, Snohomish County, Washington, deeming certain personal property as surplus and no longer needed for public hospital district purposes, approving the sale of the personal property and authorizing and directing the superintendent of the District to negotiate, execute and deliver a purchase and sale agreement with respect to such personal property.

WHEREAS, Public Hospital District No. 2, Snohomish County, Washington (the “District”), is a public hospital district and a municipal corporation duly organized and existing under the laws of the State of Washington; and

WHEREAS, the Commission has determined that the personal property identified on Exhibit A (the “Property”) is no longer required for public hospital district purposes and declares the Property to be surplus; and

WHEREAS, the Commission has determined that it is in the best interest of the District to sell the Property for its fair market value; and

WHEREAS, the Commission desires to authorize the superintendent of the District (the “Superintendent”) to negotiate the terms of, and execute and deliver, a purchase and sale agreement for the sale of the Property; NOW, THEREFORE,

BE IT RESOLVED BY THE COMMISSION OF PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON, as follows:

Section 1. The Commission deems the Property to be surplus and no longer required for public hospital district purposes.

Section 2. The Commission deems it to be in the best interest of the District to sell the Property and hereby approves the sale of the Property subject to the terms of this resolution.

Section 3. The Superintendent is authorized and directed to negotiate on behalf of the District the terms and conditions of a purchase and sale agreement (the “Agreement”) for the sale of the Property.

Section 4. The Superintendent is authorized and directed to do all other things and execute and deliver all documents reasonable and necessary to consummate the transaction contemplated by this resolution. All actions previously taken in furtherance of the purposes of this resolution are ratified and confirmed.

ADOPTED AND APPROVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, at a regular open public meeting thereof this 27th day of February, 2013, the following Commissioners being present and voting in favor of this resolution.

President and Commissioner

Secretary and Commissioner

Commissioner

Commissioner

Commissioner

I, _____, Secretary of the Commission of Public Hospital District No. 2, Snohomish County, Washington, certify that the attached copy of Resolution No. 2013-02 is a true and correct copy of the original resolution adopted February 27, 2013, as that resolution appears on the Minute Book of the District.

DATED this 27th day of February, 2013.

Secretary of the
Commission of the District

EQUIPMENT PURCHASE AND SALE AGREEMENT

This Equipment Purchase and Sale Agreement is made this 27th day of February 2013, by and between Snohomish County Public Hospital District No. 2, dba Verdant Health Commission, a Washington municipal corporation ("Seller"), and Sound Womens Care, P.S., a Washington professional service corporation ("Purchaser").

RECITALS

Seller operates to improve the health and well-being of residents in its community. Seller owns certain equipment used in connection with the provision of medical office services.

Purchaser own and operates a physician clinic located at 21616 76th Avenue West, Suite 205, Edmonds, Washington (the "Practice").

Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller certain equipment as identified in this Agreement.

AGREEMENT

Now, therefore, in furtherance of the recitals and for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **SALE AND PURCHASE OF EQUIPMENT.** On the terms and subject to the conditions of this Agreement, Seller shall sell to Purchaser and Purchaser shall purchase from Seller the equipment listed on Exhibit A (the "Equipment") attached hereto.

2. **PURCHASE PRICE.** The purchase price for the Equipment is one hundred twenty seven Dollars (\$127.00). Purchaser shall pay Seller the purchase price in full upon execution of this Agreement.

Purchaser agrees to pay all applicable transfer, sales, use or other tax payable on the Property to the appropriate taxing authority on a timely basis.

3. **NO REPRESENTATIONS OR WARRANTIES.** **PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER IS NOT MAKING, HAS NOT MADE, AND FURTHERMORE HEREBY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS, IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THE QUALITY, CONDITION, USABILITY, SUITABILITY, MERCHANTABILITY, OR FITNESS FOR PARTICULAR PURPOSE OF THE EQUIPMENT.** Without exception, the Equipment is sold **AS IS**. Purchaser, on behalf of itself and any other user of the Equipment, acknowledges and agrees that Purchaser and those other users shall have no right, remedy or recourse against Seller or any officer, agent, employee or

trustee of Seller in the event of the failure of the Equipment to perform in accordance with Purchaser's expectations or otherwise.

4. **PURCHASER SOLELY RESPONSIBLE FOR INSPECTION AND USE.**

The Equipment is being purchased by Purchaser in a used condition and may be in state of disrepair. Accordingly, Purchaser is acquiring and shall be using the Equipment solely at its own risk. Seller recommends that Purchaser inspect the Equipment thoroughly before use of the Equipment. Accordingly, Purchaser releases Seller from any and all claims, liabilities, losses, damages, injuries, costs and expenses, whether direct, indirect, special, consequential or incidental, which Purchaser may incur with respect to its ownership and/or use of the Equipment, including, but not limited to, liability arising from the malfunction or improper use of the Equipment.

5. **PURCHASER INDEMNIFIES SELLER FOR CLAIMS ARISING OUT OF USE OF EQUIPMENT.** Purchaser agrees to indemnify, defend and hold Seller harmless from and against any and all claims, liabilities, losses, damages, injuries, costs and expenses, whether direct, indirect, special, consequential or incidental, which may be made against Seller, whether by Purchaser or by a third party, arising out of or in connection with Purchaser's ownership and/or use of the Equipment.

6. **GENERAL PROVISIONS**

6.1 **Binding on Successors and Assigns.** This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their successors and assigns.

6.2 **Entire Agreement.** This Agreement, including all Exhibits which are deemed incorporated by this reference, is the entire Agreement between the parties, and no other agreements, oral or written, have been entered into with respect to the subject matter of this Agreement. This Agreement supersedes all prior agreements between the parties, whether oral or written.

6.3 **Governing Law/Venue.** The validity, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue shall be proper in the Superior Court for Snohomish County, Washington.

6.4 **Notices.** Notices required under this Agreement may be sent to the parties by certified or registered mail, returned receipt requested, postage prepaid, at the addresses set forth below or may be delivered personally:

To Seller: Snohomish County Public Hospital District No. 2
dba Verdant Health Commission
3815 196th Street SW, Suite 136
Lynnwood, WA 98036
Fax: 425-582-8527

To Purchaser: Sound Womens Care, P.S.
21616 76th Avenue West, Suite 205
Edmonds, WA 98026
Fax: 425-640-4884

Notice shall be deemed delivered immediately upon personal delivery or three (3) business days after being mailed. Notices delivered by facsimile shall be deemed personally delivered upon the sender's receipt of a facsimile confirmation notice.

6.5 Recovery of Attorneys' Fees. In the event of any dispute between the parties relating to the Equipment or the interpretation, application or enforcement of this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable costs and attorney fees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SELLER: Snohomish County Public Hospital District No. 2
dba Verdant Health Commission

PURCHASER: Sound Womens Care, P.S.

EXHIBIT A

Equipment List

CLASS	NUM	DEPT	DESCRIP	ACQDT	LIFE	COST	NBV
05	9111804	9800	HCFA Printer (LJ P4014N)	10/1/2009	300	984.41	0.00

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 2013-03

A RESOLUTION of the Commission of Public Hospital District No. 2, Snohomish County, Washington, determining certain personal property to be surplus and no longer required for public hospital district purposes of the District and authorizing the Superintendent or his designee to sell all or any part of such property on a negotiated basis upon the most favorable terms and conditions obtainable or to otherwise dispose of such property, and ratifying prior actions.

WHEREAS, certain personal property of the District is no longer required for District purposes and the Commission wishes to dispose of such property in a lawful manner as promptly as reasonably possible; NOW, THEREFORE,

BE IT RESOLVED BY THE COMMISSION OF PUBLIC HOSPITAL DISTRICT NO 2, SNOHOMISH COUNTY, WASHINGTON, as follows:

Section 1. It is hereby found, determined and declared that all of the personal property identified on Exhibit A hereto is no longer required for public hospital district purposes and such property therefore is surplus. It is further found and declared to be in the best interest of the District that such property (the "Surplus Property") be disposed of promptly as hereinafter provided.

Section 2. The Superintendent or his designee is hereby authorized and directed to sell on a negotiated basis upon the most favorable terms and conditions obtainable all or any part of the Surplus Property as soon as reasonably possible. Any Surplus Property not thus sold shall be disposed of and removed from the premises of Swedish Edmonds Hospital at the direction of the Superintendent or his designee at the least possible cost to the District.

ADOPTED AND APPROVED by the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington, at an open public meeting thereof, this 27th day of February, 2013, the following commissioners being present and voting in favor of the resolution.

President and Commissioner

Commissioner

Commissioner

Commissioner

Secretary and Commissioner

CERTIFICATE

I, Fred Langer, Secretary to the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington, certify that the attached copy of Resolution No. 2013-03 is a true and correct copy of the original resolution adopted on February 27, 2013, as that resolution appears on the Minute Book of the District.

DATED this 27th day of February, 2013.

Fred Langer
Secretary to the Board of Commissioners

CLASS	NUM	DEPT	DESCRIP	ACQDT	LIFE	COST	NBV
04	0900268	8540	HIS NETWORK WIRING CLOSETS	2/1/1991	20	9,229.93	-
04	0960185	8540	HIS EMERGENCY POWER BACK-U	4/1/1997	15	29,210.05	-
05	1009401	8540	PACS READ STATION	6/1/2010	3	1,652.79	229.55
05	1009402	8540	PACS READ STATION	6/1/2010	3	1,652.79	229.55
04	0940050	7025	2 PANEL VIEWBOX -(2)	5/8/1994	10	825.22	-
05	3505501	7145	2" ILLUM W/3BULBS W/RECS M	12/1/2003	10	2,299.85	210.77
04	0940049	7025	3 PANEL VIEWBOX	5/8/1994	10	929.64	-
06	2024015	7115	4 TASK CHAIRS	5/1/2002	15	1,489.83	430.42
06	2023912	7070	70 PERSONNEL LOCKERS	6/1/2002	15	2,819.42	830.18
05	0201119	7147	ARRAY 2905 LASER FILM DIGI	12/1/2002	10	28,957.12	-
05	0961120	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961122	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961123	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961124	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961125	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961126	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961127	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961134	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961121	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961128	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961129	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961130	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961131	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961132	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961133	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,704.15	-
05	0961135	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,697.30	-
05	0961136	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,697.30	-
05	0961137	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,697.30	-
05	0961140	6078	BASSINET-2 DRWR-MAPLE	7/15/1996	15	1,697.31	-
04	0940185	7025	BLINDS	5/8/1994	5	1,298.40	-
06	3170072	7072	BLOOD DRAW WAITING CHAIR	10/1/2003	15	864.42	336.15
06	3170073	7072	BLOOD DRAW WAITING CHAIR	10/1/2003	15	864.42	336.15
06	3170064	7115	CHAIR TASK FRONT DESK	10/1/2003	15	530.35	206.22
06	3170065	7115	CHAIR TASK FRONT DESK	10/1/2003	15	530.35	206.22
06	3170066	7115	CHAIR TASK FRONT DESK	10/1/2003	15	530.35	206.22
06	3170067	7115	CHAIR TASK FRONT DESK	10/1/2003	15	530.35	206.22
06	3170068	7115	CHAIR TASK FRONT DESK	10/1/2003	15	530.35	206.22
06	3170069	7115	CHAIR TASK FRONT DESK	10/1/2003	15	530.66	206.34
05	2035702	7142	CHAIR TASK W/ ARMS (CATH L	9/1/2003	15	1,555.72	596.40
05	9116302	8320	CHAIRS (CAFETERIA)	3/1/2010	10	36,354.00	26,053.70
05	2041801	7079	COMPACT CENTRIFUGE DIGITAL	6/1/2004	7	1,639.62	-
05	7801601	7075	CRYOSTAT BRIGHT OTF 5000	7/1/2007	7	25,376.97	5,437.93
05	7801902	7020	DENTAL X-RAY SYSTEM	5/1/2007	5	3,083.98	-
05	7808601	7230	DESK 60X24 ED MANAGEMENT	11/1/2007	20	1,350.81	1,001.85
05	7808602	7230	DESK 60X24 ED MANAGEMENT	11/1/2007	20	1,350.81	1,001.85
06	3170060	7154	DESK W/ SHELLS 60X24+FILE	10/1/2003	20	1,093.44	592.30
06	3170061	7154	DESK W/ SHELLS 60X24+FILE	10/1/2003	20	1,093.44	592.30
06	3170062	7154	DESK W/ SHELLS 60X24+FILE	10/1/2003	20	1,093.44	592.30
06	3170063	7154	DESK W/ SHELLS 60X24+FILE	10/1/2003	20	1,093.44	592.30
06	7807801	6079	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807802	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807803	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807804	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-

CLASS	NUM	DEPT	DESCRIP	ACQDT	LIFE	COST	NBV
06	7807805	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807806	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807807	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807808	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807809	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807810	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807811	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807812	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807813	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807814	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807815	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807816	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807817	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807818	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807819	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.24	-
06	7807820	6078	ELECTRONIC THERMOMETER	8/1/2007	5	420.25	-
05	2031768	7152	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.48	147.92
05	2031769	7152	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.48	147.92
05	2031770	7152	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.48	147.92
05	2031771	7152	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.48	147.92
05	2031772	7153	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.48	147.92
05	2031773	7153	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.48	147.92
05	2031774	7153	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.48	147.92
05	2031775	7153	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.48	147.92
05	2031776	7154	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.48	147.92
05	2031777	7154	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.48	147.92
05	2031778	7154	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.48	147.92
05	2031779	7154	ESCORT NAT CHERRY LIZ/AHOY	10/1/2003	15	380.44	147.97
05	2031762	7152	ESCORT NAT CHERRY MOMENTUM	10/1/2003	15	392.43	152.63
05	2031763	7152	ESCORT NAT CHERRY MOMENTUM	10/1/2003	15	392.43	152.63
05	2031764	7153	ESCORT NAT CHERRY MOMENTUM	10/1/2003	15	392.43	152.63
05	2031765	7153	ESCORT NAT CHERRY MOMENTUM	10/1/2003	15	392.43	152.63
05	2031766	7154	ESCORT NAT CHERRY MOMENTUM	10/1/2003	15	392.43	152.63
05	2031767	7154	ESCORT NAT CHERRY MOMENTUM	10/1/2003	15	392.41	152.61
05	2031780	7152	ESCORT NAT CHERRY MOMENTUM	10/1/2003	15	392.43	152.63
05	2031781	7153	ESCORT NAT CHERRY MOMENTUM	10/1/2003	15	392.43	152.63
05	2031782	7154	ESCORT NAT CHERRY MOMENTUM	10/1/2003	15	392.43	152.63
05	2031783	7154	ESCORT NAT CHERRY MOMENTUM	10/1/2003	15	392.42	152.62
05	2031741	7152	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031742	7152	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031743	7152	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031744	7152	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031745	7152	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031746	7152	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031747	7152	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031748	7153	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031749	7153	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031750	7153	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031751	7153	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031752	7153	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031753	7153	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031754	7153	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031755	7154	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44

CLASS	NUM	DEPT	DESCRIP	ACQDT	LIFE	COST	NBV
05	2031756	7154	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031757	7154	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031758	7154	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031759	7154	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031760	7154	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.38	149.44
05	2031761	7154	ESCORT NAT CHERRY WOOD KRA	10/1/2003	15	384.45	149.51
05	2023923	7079	FREEZER PLASMA 4.9FT3-30C	9/1/2002	10	3,111.96	-
05	2031784	7152	FRESCO TWO SEAT NAT CHERRY	10/1/2003	15	1,226.69	477.04
05	2031785	7153	FRESCO TWO SEAT NAT CHERRY	10/1/2003	15	1,358.56	528.33
05	3503701	7152	KODAK MINILOADER 2000P	8/1/2003	10	67,741.25	3,951.53
05	3503703	7152	KODAK MINILOADR PROCESSOR	8/1/2003	10	5,731.95	334.32
05	0970144	7149	NUSTEP RECUMBENT STEPPER	5/29/1997	15	2,055.50	-
05	3170022	7152	PORTICO 42" ROUND TABLE	10/1/2003	15	578.83	225.09
05	3170023	7153	PORTICO 42" ROUND TABLE	10/1/2003	15	578.82	225.08
06	3170057	7115	RECLINER CHAIR SPECFURN	10/1/2003	15	1,546.77	601.50
06	3170058	7115	RECLINER CHAIR SPECFURN	10/1/2003	15	1,546.78	601.51
06	3170059	7115	RECLINER CHAIR SPECFURN	10/1/2003	15	1,546.78	601.51
05	2031806	7020	SAGITALL SAW ASSEMBLY	5/1/2003	20	3,654.01	1,887.91
05	2031807	7020	SAGITALL SAW ASSEMBLY	5/1/2003	20	3,654.01	1,887.91
04	0001061	6072	SCOTSMAN, ICE WATER DISP 3	7/29/1971	10	1,202.00	-
04	0963030	7250	SHOWER CURTAINS/RODS	7/1/1996	10	3,830.22	-
04	0001075	7020	TWO STEAM GENERATORS	8/10/1970	25	5,429.00	-
05	7804501	7250	WHEELCHAIR (SENTRA DUAL AX	8/1/2007	5	509.96	-
05	7804502	7250	WHEELCHAIR (SENTRA DUAL AX	8/1/2007	5	509.96	-
05	7804503	7250	WHEELCHAIR (SENTRA DUAL AX	8/1/2007	5	509.96	-
05	0951060	9800	PATIENT CHART SHELVEING-TAB	11/1/1995	20	8,162.34	1,156.28
05	0951065	9800	LIGHT & MUSIC SYSTEM	11/1/1995	15	18,070.50	-
05	1003002	8540	LASER JET P4014N	6/1/2010	3	1,022.37	142.00
05	9111804	9800	HCFA PRINTER (LJ P4014N)	10/1/2009	3	984.41	-
						352,242.90	59,360.82

February 2013 Program Report

Summary of Programs for Discussion

- Three applications from programs previously funded by Verdant
- One revised application from a program not previously funded

Requests from previously funded events

Recommended for Funding:

- **American Red Cross CPR trainings:** seeking funding to provide free CPR classes for South Snohomish County community organizations and residents. Last year, Verdant provided \$8,000 for a one-time CPR Saturday event that served 275 individuals. The current request would provide 21 smaller CPR trainings throughout the year to reach individuals who are less likely to have received training in the past. **The committee is recommending fully funding the request at \$10,000 for one year.** The committee would like to confirm the smaller trainings are successful before committing to multiple years of funding.
- **Edmonds Community College Celebration of Food Event:** the second annual Healthy Eating/Celebration of Food event is planned for May 2013 at the Lynnwood Convention Center and includes cooking demonstrations and booths from local farmers and gardeners. In 2012 Verdant provided \$5,000 in funding and the event was attended by approximately 1,500 people. **The committee is recommending fully funding the request at \$5,000 on a one-time basis.**
- **Edmonds Senior Center Healthy Living Fair:** the event is scheduled for April 2013 and is expected to serve 600 Seniors with 60 vendors, and will include general information and health screenings like blood pressure and bone density checks. At the \$2,000 level, Verdant would be recognized as the platinum sponsor. **The committee is recommending fully funding the request at \$2,000 on a one-time basis.**

Programs not previously funded

Recommended for Funding:

- **TeamChild Community Advocacy Project:** a revised request focused on reducing or addressing Adverse Childhood Experiences (ACES) for young people. The proposal describes two strategies: (1) Community Outreach and Mapping – TeamChild will reach out to parents, students, schools, behavioral health care providers, and the juvenile justice system to identify gaps in information or services. (2) Community Awareness - TeamChild will provide education and mental health advocacy training to youth, parents and community partners in order to increase their knowledge and empower them to help children access the services they need.

The project request was reduced to \$32,750 (from \$68,750) and is now more focused on behavioral health issues and access rather trying to address school district or juvenile justice policy issues. **The committee is recommending fully funding the request at \$32,750 for one-year.** Because Teamchild has offices in Seattle and Everett, but not in South Snohomish County, the committee would recommend a funding agreement emphasize that training and outreach must occur within the hospital district.

	A	B	C	D	E	F	G	H	I	J
	Programs for February Review		Request for funding			Priority Area				
#	Name	Description	Year 1	Year 2	Year 3	Education & Empowerment	Prevention	Access to Healthcare	Policy & Advocacy	Primary Population Served
1	American Red Cross - CPR Training for vulnerable populations	The Red Cross is seeking funding to provide CPR classes for South County community organizations and residents. Last year, Verdant provided \$8,000 for a one-time CPR Saturday event that served 275 individuals. The current request would provide 21 smaller CPR trainings throughout the year to reach individuals who are less likely to have received training in the past. All of the trainings would occur in South Snohomish County; these trainings are presently only offered in Everett.	\$10,000	\$10,000	\$10,000	X				Adults
2	TeamChild - Wellness Project	TeamChild has submitted a revised request focused on reducing or addressing Adverse Childhood Experiences (ACES). The proposal describes two strategies: (1) Community Outreach and Mapping – TeamChild will reach out to parents, students, schools, behavioral health care providers, and juvenile court to identify gaps in information or services. (2) Community Awareness - TeamChild will provide education and mental health advocacy training to youth, parents and community partners in order to increase their knowledge and empower them to help children access the services they need.	\$32,750			X		X	X	Youth
3	Edmonds Community College Celebration of Food Festival	Edmonds Community College/Food Revolution Snohomish County is seeking funding for a 2nd annual Healthy Eating/Celebration of Food Event. The May 2013 event at the Lynnwood Convention Center includes cooking demonstrations and booths from local farmers and gardeners. In 2012 Verdant provided \$5,000 in funding and the event was attended by approximately 1,500 people.	\$5,000			X	X			All Ages
4	Edmonds Senior Center - Healthy Living Fair	Edmonds Senior Center is requesting funding for a Healthy Living Fair in April 2013. Verdant provided \$2,000 in support for the event last year, which is expected to serve 600 Seniors with 60 vendors. The event includes general information and health screenings like blood pressure, depression screening, and bone density checks. At the \$2,000 level, Verdant would be recognized as the title/platinum sponsor.	\$2,000			X	X	X		Seniors
Total			\$49,750	\$10,000	\$10,000					

Account		Actual 2012	Budget 2013	Budget 2014
7100 . Grants				
	Committed			
	Edmonds Senior Center Enhanced Wellness	\$ 24,075	\$ 24,300	\$ 18,225
	Edmonds School District Move 60!	\$ 313,445	\$ 382,188	\$ 315,467
	3rd Grade Swim Lessons	\$ 49,685	\$ 146,000	\$ 126,000
	City of Edmonds Xfit Training Camp	\$ 69,300	\$ -	\$ -
	Boys & Girls Club Healthy Habits	\$ 102,601	\$ 111,939	\$ 74,626
	City of Lynnwood Move 60: Teens!	\$ 77,468	\$ 77,468	\$ 77,468
	City of Lynnwood Get Movin'	\$ 52,250	\$ 52,250	\$ 52,250
	Senior Services Care Coordination	\$ 138,625	\$ 100,875	\$ -
	Little Red Nurse Family Partnership	\$ 264,000	\$ 264,000	\$ -
	CHS Counseling Services	\$ 62,400	\$ -	\$ -
	Project Access Northwest	\$ 80,000	\$ 80,000	\$ 66,667
	CHC-S/E Emergency Room Diversion Project	\$ 100,000	\$ 100,000	\$ 83,333
	Edmonds Mobile Medical Clinic	\$ 62,500	\$ 75,000	\$ -
	Parent Trust Continuum of Family Support Services	\$ 20,834	\$ 25,000	\$ 4,166
	Domestic Violence Services of Snoh Co	\$ 9,726	\$ 19,453	\$ 19,453
	Providence Hospice & Home Care Foundation	\$ 90,417	\$ 155,000	\$ 155,000
	YWCA Children's Domestic Violence	\$ 16,667	\$ 25,000	\$ 25,000
	Mobile Dental Program	\$ 20,000	\$ 48,000	\$ 48,000
	Lynnwood Fire Department	\$ 66,807	\$ 15,625	\$ -
	PEPS	\$ -	\$ 40,000	\$ 40,000
	Perscription Assistance*	\$ -	\$ 50,000	\$ 50,000
	YWCA Mental Health Counseling	\$ 4,167	\$ 25,000	\$ 25,000
	EdCC Student Health & Wellness Program*	\$ -	\$ 153,047	\$ 144,389
	Center for Healthy Aging*	\$ -	\$ 524,615	\$ 524,615
	Advanced Basics of Bicycling	\$ -	\$ 32,000	\$ 32,000
	Cascade Bicycling Club Policy Proposal	\$ -	\$ 45,000	\$ 25,000
	American Diabetes Association*	\$ -	\$ 50,000	\$ 50,000
	Snohomish County Fall Prevention	\$ -	\$ 3,000	\$ -
	Cascade Bicycling Club Helmets*		\$ 5,600	
	Snohomish County MRC Health & Beauty Fair		\$ 2,625	
	Center for Human Services Youth Counseling	\$ -	\$ 162,284	\$ 162,284
	One-Time Commitments	\$ 31,500	\$ -	\$ -
	Total Committed	\$ 1,656,467	\$ 2,795,269	\$ 2,118,943
	Not Committed (Available to Spend)	\$ 2,114,918	\$ 2,952,581	\$ 2,611,057
	Total Grants	\$ 3,771,385	\$ 5,747,850	\$ 4,730,000
7300 . Internal Programs				
	Board Approved			
	Whooping Cough	\$ 113,331	\$ 24,000	\$ -
	6 Weeks to a Healthier You	\$ 10,285	\$ 80,000	unknown
	Total Board Approved	\$ 123,616	\$ 104,000	\$ -
	Potential Internal Programs			
	Community Needs Assessment	\$ -	\$ 133,150	\$ -
	Total Potential	\$ -	\$ 133,150	\$ -
	Total Internal Programs	\$ 123,616	\$ 237,150	\$ -
7200 . Discretionary				
	Committed			
	Sobering Center Feasibility Study	\$ 3,000		
	6 Weeks to a Healthier You	\$ 78,157	\$ -	\$ -
	Whooping Cough Postcard Mailing	\$ 5,000	\$ -	\$ -
	Total Committed	\$ 86,157	\$ -	\$ -
	Not Committed (Available to Spend)	\$ 118,843	\$ 315,000	unknown
	Total Discretionary Programs	\$ 205,000	\$ 315,000	\$ -
	TOTAL	\$ 4,100,000	\$ 6,300,000	\$ 4,730,000
*Pending agreement on grant agreement terms.				

Verdant Community Health & Wellness Assessment

Update February 27, 2013

Assessment Approach

- Community Health Data – Gather and analyze
- Focus Groups
- Survey

Community Health Data

- Hospital District compared to Snohomish County
- Where possible, by census tract or neighborhood
- Socio-economic factors
- Health behaviors: BRFSS and Healthy Youth surveys
- Snohomish Health District community health indicators
- Labor, transportation, crime rates
- Service Inventory

Focus Groups

- 13 groups:
 - low-income residents including Spanish speaking
 - 'at-risk' youth
 - care-givers of seniors
 - multi-ethnic community leaders
- Conversation café with social and health providers who link residents to services

Focus Groups: Asking about

- Highest priority concerns for community health
- Access to services & changes needed
- What is healthy living? What gets in the way?
- Learning about a health issue
- Policies and partnerships

Survey

- Sample of 400 – tilted towards lower income residents
- Questions about:
 - Awareness and perceptions of the hospital
 - Access
 - Health education

February 2013 Marketing Report

6 Weeks to a Healthier You Update

Dates Scheduled

As a reminder, all sessions are scheduled to run from 6:30-8:00 p.m. at the Lynnwood Convention Center.

- Monday, May 13
- Monday, May 20
- Tuesday, May 28
- Monday, June 3
- Monday, June 10
- Monday, June 17

Partners Represented on our Steering Committee

- | | |
|-----------------------------|-------------------------------|
| • Swedish/Edmonds | • Fairwinds-Brighton Court |
| • PCC Natural Markets | • Fedelta Care Solutions |
| • City of Edmonds | • Harbor Square Athletic Club |
| • City of Lynnwood | • Molina Healthcare |
| • City of Mountlake Terrace | • Premera Blue Cross |
| • Edmonds Boys & Girls Club | • YMCA of Snohomish County |
| • Edmonds Community College | • Dale Turner Family YMCA |
| • Edmonds School District | |

Registration Launched Monday, Feb. 25

From www.verdanthealth.org, visitors will be directed to our registration website, where they can learn more about the program and sign up. We are reaching out to organizations beyond our partners to help spread the word to local employers, churches and community groups. Registration will close on April 26, and the first round of biometrics will start at Swedish/Edmonds on April 30.

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON
RESOLUTION NO. 2013-04

A resolution of the Commission of Public Hospital District No. 2, Snohomish County, Washington (the "District"), approving incentive compensation for the superintendent of the District for 2012;

WHEREAS, the employment agreement between the District and its superintendent (the "Superintendent") provides for the payment of incentive compensation to the Superintendent each year in an amount of up to 15% of the Superintendent's base compensation depending on the extent to which the Board of Commissioners (the "Commission") has reasonably determined that the Superintendent has met the goals and objectives established by the Commission for the year; and

WHEREAS, the Commission previously approved and adopted the goals and objectives for the Superintendent for calendar year 2012 (the "2012 Goals"); and

WHEREAS, the Commission has reviewed the Superintendent's performance in 2012 and evaluated the extent to which he has met the 2012 Goals; NOW, THEREFORE,

BE IT RESOLVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, as follows:

Section 1. The Commission hereby finds that the Superintendent has achieved the 2012 Goals to the satisfaction of the Commission.

Section 2. The Commission hereby approves and authorizes the payment to the Superintendent of incentive compensation for his performance in 2012 in the amount of \$21,012 which amount shall be paid the Superintendent within 30 days.

ADOPTED AND APPROVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, at a regular open public meeting thereof, held this 27th day of February, 2013, the following commissioners being present and voting in favor of this resolution.

President and Commissioner

Commissioner

Commissioner

Commissioner

Secretary and Commissioner

I, Fred Langer, Secretary of the Commission of Public Hospital District No. 2, Snohomish County, Washington, certify that the attached copy of Resolution 2013-04 of the District is a true and correct copy of the original resolution adopted on February 27, 2013, as that resolution appears on the Minute Book of the District.

DATED this 27th day of February, 2013.

Secretary of the Commission