

*Petaluma*  
**HEALTH CARE**  
**DISTRICT**

**PETALUMA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS**

**BY-LAWS**

Adopted 8-28-97

Amended 12-02

Amended 4-16-13

Amended 11-6-18

BYLAWS OF  
PETALUMA HEALTH CARE DISTRICT

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BYLAWS OF  
PETALUMA HEALTH CARE DISTRICT  
ARTICLE I  
PREAMBLE

1.1 NAME The name of this organization shall be Petaluma Health Care District (hereinafter “the District”), a political subdivision of the State of California, organized pursuant to the terms of the Local Health Care District Law (Health and Safety Code, Sections 32000 – 32492), to promote the public health and general welfare. This organization shall be fully empowered to receive and administer funds for the attainment of these objectives in accordance with the purposes and powers set forth in the Local Health Care District Law.

1.2 SCOPE OF BYLAWS These Bylaws shall be known as the “District Bylaws” and shall govern the District, its Board of Directors (“the Board”), and all of its affiliated and subordinate organizations and groups.

The bylaws of affiliated and subordinate organizations and groups, and any amendments to such bylaws, shall not be effective until the same are approved by the Board. In the event of any conflict between the bylaws of any affiliated or subordinate organization or group, and the provisions of these District Bylaws, these District Bylaws shall prevail.

In the event these District Bylaws are in conflict with any statute of the State of California governing the District, such statute shall prevail.

## ARTICLE II

### OFFICES

- 2.1 **PRINCIPAL OFFICE** The principal office of the District is hereby fixed and located at 1425 N. McDowell Blvd, Suite 103, Petaluma, California.
- 2.2 **OTHER OFFICES** Branch offices may, at any time, be established by the Board at any place or places

## ARTICLE III

### ORGANIZATION, POWERS AND PURPOSES

- 3.1 **PURPOSES and POWERS** The District is organized for the purposes described in the Local Health Care District Law, and shall have and exercise such powers in the furtherance of its purposes as are now, or may hereafter be set forth in the Local Health Care District Law, and any other applicable statutes, rules, or regulations of the State of California, including, but not necessarily limited to the following:
- (a) To provide for services which are in accordance with the Mission Statement of the District, as it may be enunciated from time to time.
  - (b) To exercise the powers and duties of a local health care district, pursuant to the Local Health Care District Law.
  - (c) To lease the Hospital and other designated assets of the District, to oversee the compliance of the Lessee, and monitor the functioning of the District, as Lessor.

- (d) To conduct ongoing research and educational activities in collaboration with other community agencies and persons concerned with community health and safety.
- (e) Within the limits of legal constraints and available resources, to undertake any and all other acts and things necessary to carry out purposes of the Local Health Care District law.

ARTICLE IV  
BOARD OF DIRECTORS

4.1 GENERAL POWERS The Board is the governing body of the District. All District powers shall be exercised by or under the direction of the Board. The Board is authorized to make appropriate delegations of its powers and authority to officers and employees. It shall have and exercise all the powers of the District, including, but not necessarily limited to:

- (a) Employing a Chief Executive Officer, and defining the powers and duties of such Chief Executive Officer;
- (b) Establishing policies and rules for operation of the District and any of its facilities; and ensuring that such policies and rules are carried out by the Chief Executive Officer;
- (c) Entering into contracts with health related providers;
- (d) Providing assistance or making grants to nonprofit entities that are able to provide health related services in the District;
- (e) Financing experiments with new methods of providing adequate health care; and

(f) Carrying out the provisions of these Bylaws and the Local Health Care District Law.

4.2 NUMBER and QUALIFICATION The Board shall consist of five (5) members, each of whom shall be a registered voter residing in the District.

4.3 ELECTION and TERM of OFFICE An election shall be held in the District on the first Tuesday after the first Monday in November in each even-numbered year, at which time a successor shall be chosen to each Director whose term expires on the first Friday of December next following such election. The election of Board members shall be an election at large within the District and shall be consolidated with the statewide general election, pursuant to Section 10400 of the Elections Code. The candidates receiving the highest number of votes for the offices to be filled at the election shall be elected thereto. The term of office of each elected Board member shall be four (4) years, or until the Board member's successor is elected and has qualified, except as otherwise provided by law in the event of a vacancy.

4.4 VACANCIES The remaining Board members may fill any vacancy on the Board by appointment, provided the appointment is made within a period of sixty (60) days immediately subsequent to the effective date of such vacancy and provided a notice of the vacancy is posted in three (3) or more conspicuous places in the District at least fifteen (15) days before the appointment is made.

In lieu of making an appointment, the remaining members of the Board may, within sixty (60) days of the vacancy, call an election to fill the vacancy. If the vacancy is not filled by the Board as specified, or if the Board has not called for an election within sixty (60) days of the vacancy, the Board of Supervisors of

the County of Sonoma may fill the vacancy within ninety (90) days of the vacancy, or the Board of Supervisors may order the District to call an election to fill the vacancy.

If within ninety (90) days of the vacancy the remaining members of the Board or the Board of Supervisors have not filled the vacancy and no election has been called for, the District shall call an election to fill the vacancy.

A candidate for appointment must be a registered voter residing in the District. A person shall not be considered a candidate, and is not eligible to be appointed or elected if the person has been convicted of a felony.

The person appointed to fill the vacancy shall hold office until the next District general election as follows:

If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold office until the next general district election that is scheduled 130 or more days after the date the district board is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office.

If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office.



4.5 RESIGNATION or REMOVAL Any Board member may resign effective upon giving written notice to the President, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation.

The term of any member of the Board shall expire if the member is absent from three (3) consecutive regular meetings, or from three (3) of any five (5) consecutive meetings of the Board, and if the Board, by resolution, declares that a vacancy exists on the Board.

4.6 COMPENSATION Directors shall be paid a meeting per diem in accordance with protocols established in the Board Compensation and Reimbursement Policy. Each member of the Board shall be allowed the member's actual necessary traveling and incidental expenses incurred in the performance of official business of the District as further specified in the Compensation and Reimbursement Policy.

4.7 DIRECTORS – FIDUCIARY RESPONSIBILITY The Board of Directors and persons authorized to make investment decisions on behalf of the District are trustees, and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing such funds, Directors shall act with care, skill, prudent, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency that a prudent person acting in a like capacity and familiarity with those matters, would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of the Section, and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

4.8 INVESTMENTS Investment of surplus funds of the District may be made in those investments authorized by Government Code Section 53601, or such other provisions as may be provided from time to time by law.

## ARTICLE V BOARD MEETINGS

5.1 TRANSPARENCY All meetings and communications shall be conducted according to California open meetings laws, also known as the Brown Act.

5.2 REGULAR MEETINGS Regular meetings of the Board shall be held without notice to the Board members as follows:

(a) Regular meetings of the Board shall be held on the third Tuesday of each calendar month. The Board, by resolution, may change the date of such regular meetings.

5.3 ORGANIZATION MEETING At the first regular January meeting of each year, the Board shall organize by electing one of its members as President, one as Vice President, one as Secretary, and one as Treasurer.

5.4 SPECIAL MEETINGS A special meeting may be called at any time by the President, or by three (3) Board members, by delivering personally, by mail, e-mail, or fax, written notice to each Board member and to each local newspaper of general circulation, radio or television station requesting such notice in writing, personally, or by mail. Such notice must be delivered personally, by mail, e-mail, or by fax, at least twenty-four (24) hours before the time of such

meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted, or discussed. No other business shall be considered at special meetings.

Such written notice may be dispensed with as to any Board member who at, or prior to the time the meeting convenes, files with the Secretary a written waiver of notice. Such waiver may be given by fax, e-mail, or telegram. Such written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes. The call and notice shall be posted at least twenty-four (24) hours prior to the special meeting in a location freely accessible to the public.

5.5 **QUORUM** A majority of the members of the Board shall constitute a quorum for the transaction of business. The act of a majority of the Board members present at the meeting at which a quorum is present shall be the act of the Board.

5.6 **ADJOURNMENT** The Board may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the Order of Adjournment. Less than a quorum may so adjourn from time to time. A copy of the Order or Notice of Adjournment shall be conspicuously posted on or near the door of the place where the meeting was held within twenty-four (24) hours after the time of the adjournment.

5.7 **RULES and REGULATIONS** The Board may adopt rules and regulations governing the Board, the District, its facilities and programs, which rules and regulations shall not conflict with these bylaws.

5.8 RULES OF ORDER Unless otherwise provided by law, these Bylaws, or Board rules, Board meeting procedures shall be in accordance with Rosenberg's Rules of Order, Revised 2011, or any later edition which may be published. However, technical failures to follow Rosenberg's Rules shall not invalidate any action taken. The President may make and second motions, and vote in the same manner as other Board members.

5.9 PUBLIC MEETINGS Except as otherwise provided by law, or as stated below, all meetings of the Board of Directors, whether regular, special, or adjourned shall be open to the public as provided in the Ralph M. Brown Act. However, the foregoing shall not be construed to prevent the Board from holding closed sessions to:

- (b) Consider the appointment, employment, evaluation of performance, discipline, or dismissal, or to hear complaints concerning an employee;
- (c) Consider pending litigation, as that phrase is defined in the Act;
- (d) Meet with its negotiator to discuss real property negotiations;
- (e) Confer with its labor negotiator;
- (f) Hear reports of Hospital medical audit and quality assurance committees;  
and
- (g) Discuss reports involving health care trade secrets, as that phrase is defined in the Health and Safety Code.

By resolution, the Board may designate a person to attend each closed session to keep and enter in a minute book a record of topics discussed and decisions made at such meeting. Such minute book is not a public record, shall be kept confidential, and shall be available only to Board members unless otherwise ordered by a court of general jurisdiction.

Copies shall not be made or distributed to anyone, and the minute book shall be kept in the office of the CEO. Such minute book may also consist of a recording of the closed session.

## ARTICLE VI OFFICERS

- 6.1 **PRESIDENT** The Board shall elect one of its members as President at the first regular January meeting of each year, and the President shall hold office for one (1) year and until a successor is elected. The President shall be the principal officer of the District and the Board, and shall preside at all meetings of the Board. The President shall appoint all committee chairs, and shall perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time. The President, subject to the advice and control of the Board of Directors, shall have general responsibility for the affairs of the District during his/her term of office.
- 6.2 **VICE PRESIDENT** The Board shall elect one of its members as Vice President at the first regular January meeting of each year, and the Vice President shall hold office for one (1) year and until a successor is elected. In the absence, death, or disability of the President, the Vice President shall perform the duties of the President.
- 6.3 **SECRETARY** The Board shall elect one of its members as Secretary at the first regular January meeting of each year, and the Secretary shall hold office for one (1) year and until a successor is elected. The Secretary shall provide for the keeping of minutes of all meetings of the Board. The Secretary shall give or cause to be given appropriate notices in accordance with these Bylaws, or as

required by law, and shall act as custodian of District records and reports, and of the District's seal. All records of the District shall be kept at the District office and shall be available for inspection by any Director during business hours.

6.4 TREASURER The Board shall elect one of its members as Treasurer at the first regular January meeting of each year, and the Treasurer shall hold office for one (1) year and until a successor is elected. The Treasurer shall be charged with the safekeeping of the funds in the Treasury of the District, and for monitoring the disbursement of funds in accordance with the District's budget. The Treasurer shall be Chair of the Asset Management Committee.

6.4.1. TREASURER'S REPORTS on INVESTMENTS At the January regular meeting of each fiscal year, the Treasurer shall render to the Board of Directors and the Asset Management Committee a statement of investment policy, which shall be considered at a public meeting. Any changes in such policy shall be considered at public meetings.

In addition, within thirty (30) days following the end of each calendar quarter, the Treasurer shall also render to the Board of Directors and the Chief Financial Officer, an investment report covering investment activity and results of the preceding quarter as provided by law.

## ARTICLE VII COMMITTEES

7.1 APPOINTMENT Board committees shall consist of members of the Board and shall be appointed by the President.

7.2 **STANDING COMMITTEES:** Standing committees may be appointed by the Board to address a specific subject matter on an ongoing basis and/or may have a meeting schedule fixed by charter, order resolution or formal action of the Board. Standing committees are subject to the Ralph M. Brown Act regardless of whether the committee is comprised of less than a quorum of the Board.

7.3 **SPECIAL (AD HOC) COMMITTEES** Special (ad hoc) committees may be appointed by the President for special tasks as circumstances warrant. Special committees, which are composed solely of the members of the Board, which are less than a quorum of the Board, are not subject to the Ralph M. Brown Act. Upon completion of the task for which the committee has been appointed and the filing of a written report of its work with the Board of Directors, the ad hoc committee shall be automatically dissolved.

A special or ad hoc committee may also be appointed by the President consisting of one (1) or more members of the Board of Directors, together with other persons who are not Board members, but who have an interest in the special task to be carried out. The meetings of such a committee shall be open and public, and subject to the provisions of the Ralph M. Brown Act. Upon completion of the assigned task, and the filing of a written report with the Board, the committee shall be automatically dissolved.

7.4 **CONSULTANTS** In consultation with the Chief Executive Officer, a committee chair may invite additional individuals with expertise in a pertinent area to meet with and assist the Committee. No financial commitment shall be made by the Committee or Committee chair to any consultant without knowledge and consent of the Board. Such consultants shall not vote or be

counted in determining the existence of a quorum and may be excluded from any committee session. A committee chair may exclude any or all consultants from attending a committee meeting. A committee chair shall not consult with the Chief Executive Officer in connection with the retention of any consultant to be retained for a matter bearing upon the CEO's employment or compensation.

- 7.5 MEETINGS and NOTICE Meetings of a committee may be called by the President of the Board, the chair of the committee, or a majority of the committee's members.
- 7.6 TENURE Each member of a committee shall hold office until the organizational meeting of the Board at its first regular January meeting of each year and until a successor is appointed. Any member of a committee may be removed at any time by the President subject to the consent of the Board. A member of the Board shall cease to hold committee membership upon ceasing to be a Board member.
- 7.7 TEMPORARY APPOINTMENTS The President may appoint a temporary committee member to serve during the absence of a regular committee member or the President may serve.
- 7.8 EX-OFFICIO MEMBER In addition to the two (2) regular Board members the President shall be an ex officio voting member of each committee, whether standing or special.
- 7.9 ATTENDANCE at COMMITTEE MEETINGS All members of the Board shall be entitled to attend meetings of any Board committee but shall be entitled to vote only if a member of the committee.



ARTICLE VIII  
CHIEF EXECUTIVE OFFICER

The Board of Directors shall select and employ a Chief Executive Officer, who, subject to such policies as may be adopted, and such orders as may be issued by the Board of Directors, shall have the responsibility and authority to function as the Chief Executive Officer of the District, implementing the Board of Directors' policies. The Chief Executive Officer shall have all functions consistent with the Local Health Care District Law, as delegated by the Board of Directors. Such functions shall include, but not be limited to:

- (a) Guiding the Board in setting the strategic direction;
- (b) Day – to – day operation and management;
- (c) Representing the District in public relations and contracting matters;
- (d) Implementing investment policies set by the Board from time to time to make effective use and proper maintenance of the District's real property, achieve conservative management and investment of all District assets, and provide aggressive leadership in initiating and developing programs for enhancing and improving health throughout the District.

ARTICLE IX  
AMENDMENT

These bylaws may be amended or repealed by vote of at least three (3) members of the Board at any Board meeting. Such amendments or repeal shall be effective immediately.

ARTICLE X

SEAL

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

ADOPTED, SIGNED AND APPROVED this 6th Day of  
November at Petaluma, California.



\_\_\_\_\_  
President  
Petaluma Health Care District

Attest:



\_\_\_\_\_  
Secretary of the Board  
Petaluma Health Care District

Dated 11-6-18