

**Public Hospital District No. 1 of
Pend Oreille County, Washington**

Resolution No. 2022-04

Authorizing the District to Enter into an Interlocal Agreement with The Rural Collaborative Members and Others in the Form of a Limited Liability Partnership Agreement.

WHEREAS, in 1992 the Washington State Legislature recognized that it was not cost-effective, practical, or desirable to provide quality health and hospital care services in rural areas on a competitive basis because of limited patient volume and geographic isolation. Therefore, the Legislature enacted Substitute House Bill 2495, (codified in chapter 70.44 RCW) which grants rural public hospital districts the express power to enter into cooperative agreements and contracts with other rural public hospital districts in order to provide for the health care needs of the people served by the hospital districts; and

WHEREAS, Chapter 70.44 RCW provides that provisions of the Interlocal Cooperation Act (RCW 39.34) applies to the development and implementation of the cooperative contracts and agreements allowed by chapter 70.44 RCW, and the Interlocal Cooperation Act authorizes local governmental units to enter into agreements with other public agencies to undertake joint or cooperative action; and

WHEREAS, the purpose of Interlocal Cooperation Act is to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, RCW 70.44.240 provides that Interlocal Agreements may take the form of agreements establishing a legal entity; and

WHEREAS, the Board has determined that it is in the best interests of the District and in the best interest of the District's residents and other persons served by the District, to authorize the Officers of the District to enter into documents (the "Definitive Agreements") forming a new entity (the "Enterprise") with the Washington Rural Health Collaborative d/b/a The Rural Collaborative (the "Collaborative") and such other hospital districts which also chose to join the Enterprise; and

WHEREAS, the Board has been advised that pursuant to RCW 70.44.240, the governing body of the Enterprise (i) must include representatives of the District, and (ii) that the District may appropriate funds and may sell, lease, or otherwise provide property, personnel, and services to the Enterprise to carry out the joint activity conducted through the Enterprise; and

WHEREAS, the Board has been advised of the key terms of the draft Definitive Agreements and understands that the final terms are being negotiated. The Board further understands that (i) the District's Chief Executive Officer (or his/her designee) who serves on the Board of the Collaborative, will represent the District as the District's representative to Enterprise in accordance with RCW 70.44.240, (ii) the District will be required to make a capital contribution of up to \$2,000.00 upon joining the Enterprise, and (iii) upon formation of the

Enterprise, the Rural Health Collaborative will provide initial funding to the Enterprise through a combination of capital contributions and loans; and

WHEREAS, the Board wishes to authorize Officers of the District to finalize negotiation and creation of the Enterprise (the "Transaction") and include the District as a participant.

NOW THEREFORE BE IT RESOLVED the Board of Commissioners hereby authorizes and directs Tom Wilbur and/or Kim Manus (the "Officers"), for and on behalf of the District, to negotiate the final terms of the Definitive Agreements on such terms as the Officers determines are reasonable and appropriate, based on the Officer's determination that the amount to be contributed to the Enterprise under the Definitive Agreements is consistent with the goals of the District.

BE IT FURTHER RESOLVED that the Officers of the District are authorized, empowered and directed, for and on behalf of the District, to execute and deliver the Definitive Agreements with such changes as such Officers shall approve on behalf of the District, such approval to be conclusively established by such Officer's execution and delivery thereof, and to perform all necessary steps to effectuate the completion and closing of the Transactions; and

BE IT FURTHER RESOLVED that any acts of an authorized Officer of the District related to the Transactions and the foregoing resolutions, which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of such resolutions, hereby are severally ratified, confirmed, approved and adopted as the acts of the District; and

BE IT FURTHER RESOLVED that any specific resolutions that may be required to have been adopted by the Board in connection with the actions contemplated by the foregoing resolutions be, and they hereby are, adopted, and the Secretary of the Board of Commissioners shall be, and the Secretary acting alone hereby is, authorized to certify, on behalf of the District, as to the adoption of any and all such resolutions and attach such resolutions hereto.

ADOPTED and APPROVED by the Commission of Public Hospital District No. 1, Pend Oreille County, Washington at a regular open public meeting of the Boar on this 26th day of May, 2022, the following Commissioners being present and voting in favor of the resolution.



President and Commissioner



Secretary and Commissioner



Vice President and Commissioner



Commissioner

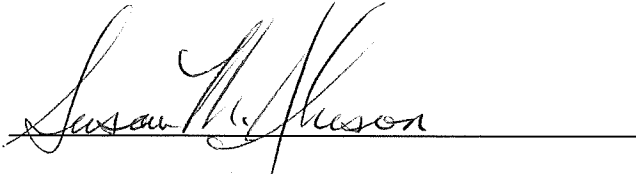
Commissioner

CERTIFICATION

I, Susan Johnson, Secretary of the Commission of Public Hospital District No. 1, Pend Oreille County, WA, hereby certify that the foregoing is a full, true and correct copy of Resolution 2022-04, that was considered by the Board of Commissioners at a duly convened open public meeting held in Newport, WA, on the 26th day of May, 2022, at which a quorum was present, and that this resolution was formally approved by the Board of Commissioners in accordance with its bylaws.

In WITNESS WHEREOF, I have hereunto set my hand this 26th day of May, 2022.

Public Hospital District No. 1,
Pend Oreille County, WA

A handwritten signature in cursive script, reading "Susan M. Johnson", is written over a solid horizontal line.

Susan Johnson, Secretary of the Commission

