

**PEND OREILLE COUNTY PUBLIC HOSPITAL DISTRICT NO. 1**

**RESOLUTION NO. 2026-02**

A RESOLUTION of the Board of Commissioners of Pend Oreille County Public Hospital District No.1, specifying and adopting a plan for expanding and renovating Newport Community Hospital and carrying out other capital improvements as deemed necessary or advisable by the Commission of the District; declaring the estimated costs of such plan; providing for the submission to the voters of the District at the primary election to be held therein on August 4, 2026, in conjunction with the State election to be held on the same date, of a proposition authorizing the District to issue its general obligation bonds in the principal amount of no more than \$51,000,000 (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness), for the purpose of paying costs of the foregoing plan, the principal of and interest on such bonds to be payable from annual property tax levies to be made in excess of regular property tax levies; designating the Superintendent of the District to receive notice of the ballot title from the Auditor of Pend Oreille County, Washington; and repealing Resolution No. 2026-01.

BE IT RESOLVED by the Board of Commissioners of Pend Oreille County Public Hospital District No.1, as follows:

Section 1: The Board of Hospital Commissioners (the Commissioners) of Pend Oreille County Public Hospital District No.1 (the District), hereby makes the following findings and determinations:

- (a) The District is a duly incorporated public hospital district operating under and by virtue of the Constitution and the laws of the State of Washington (the State).
- (b) The existing condition of health care facilities requires that the District expand and renovate Newport Community Hospital, all as more particularly defined and described in Section 3 herein (the Plan).
- (c) The District lacks sufficient money with which to pay costs of the Plan, which is urgently required to correct the existing conditions.
- (d) To pay costs of the Plan, the Commission hereby deems it necessary and advisable that the District issue and sell its unlimited tax general obligation bonds in the principal amount of no more than \$51,000,000 (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness) (the "Bonds").
- (e) The District is authorized pursuant to Article VII, Section 2(b) of the Washington Constitution and laws of the State (including RCW 70.44.060(5)(b) and RCW 84.52.056) to submit to the District's voters at a special election, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Plan and levy annual excess property taxes to repay the Bonds.

Section 2: The Commission hereby finds and declares that the public interest, health, welfare, safety and convenience require that the District specify, adopt, accomplish and carry out the Plan as hereinafter provided.

Section 3: The Commission hereby finds and declares that the District's current hospital facilities have reached functional capacity and require expansion and renovation to meet the healthcare needs of the community and support the continued delivery of safe, timely, and effective patient care. The plan to be paid for with proceeds of the Bonds (the "Plan") is more particularly defined and described as follows:

- (a) Expand and renovate Newport Community Hospital, including, but not limited to: (i) Construct and relocate admitting and main hospital entrance to the west side of the hospital for increased wayfinding/patient flow; (ii) expand and relocate imaging and lab services; (iii) expand and relocate rehabilitative services department; (iv) expand surgical services and post anesthesia recovery; (v) construct, equip and furnish additional rooms for emergency, trauma care, and behavioral health needs in existing hospital wing;
- (b) Carry out other capital improvements, all as deemed necessary or advisable by the Commission;
- (c) Acquire, construct and install all necessary furniture, equipment, apparatus, fixtures and appurtenances in the foregoing, all as deemed necessary or advisable by the Commission; and
- (d) Pay incidental costs incurred in connection with carrying out and accomplishing the foregoing pursuant to RCW 39.46.070. Such costs shall be deemed part of the Plan and shall include, but are not limited to: costs related to the issuance, sale and delivery of the Bonds; payments for fiscal and legal expenses; obtaining ratings and bond insurance; printing; advertising, establishing and funding accounts; payment of interest on the Bonds for up to six months after completion of construction; necessary and related engineering, architectural, planning, consulting, inspection and testing costs; administrative and relocation expenses; site acquisition and improvement; demolition; on and off-site utilities and road improvements; and other similar activities or purposes, all as deemed necessary or advisable by the Commission.

The Commission hereby specifies and adopts the foregoing Plan. The Commission may modify details of the Plan where deemed necessary or advisable by the Commission and make additional capital improvements as it may find necessary or advisable. The Plan, or any portion or portions thereof, shall be made insofar as is practicable with available money and in such order of time as shall be deemed necessary or advisable by the Commission. The Commission shall determine the application of available money between various parts of the Plan so as to accomplish, as near as may be, all of the Plan. The Plan is to be more fully described in the specifications to be prepared by the District's architects and engineers and to be filed with the District. The estimated cost of carrying out the Plan specified and adopted in this Section 3 herein is declared to be, as nearly as may be, the amount of \$55,000,000.

Section 4: The Bonds, when issued, shall be sold in such amounts and at such time or times as deemed necessary or advisable by the Commission and as permitted by law, shall bear interest at such rate or rates (not to exceed the maximum provided by law at the time the Bonds are sold) and in such a manner as the Commission shall determine at the time the Bonds are sold, and shall mature in such amounts as determined by the Commission within a date maximum term of not to exceed 30 years from the date of issue, but may mature at an earlier date or dates as authorized by the Commission and as provided by law. The Bonds may be issued as a single issue, as part of a combined issue with other authorized bonds, or in more than one series. The Bonds shall be unlimited tax general obligation bonds of the District, and unless paid from other sources, both principal thereof and interest thereon shall be payable out of annual tax levies to be made in excess of regular property tax levies upon all the taxable property within the District without limitation as to the rate or amount but only in amounts sufficient to meet the payment of principal and interest on the Bonds as they come due. The designation of the Bonds may be changed to reflect the actual date of issuance. The exact date, form, term and maturity of the Bonds shall be hereafter fixed by resolution of the Commission. Pending the issuance of the Bonds, the District may issue short-term obligations pursuant to RCW chapter 39.50 or such other obligations as permitted by law to pay for the costs of the Plan. Such obligations may be paid or refunded with the proceeds of the Bonds.

Section 5: The Commission declares that to the extent, prior to the date of the Bonds or other obligations are issued to finance the Plan, the District shall make capital expenditures for the Plan from money that is not (and is not reasonably expected to be) reserved, allocated on a long-term bases or otherwise set aside by the District under its existing and reasonably foreseeable budgetary and financial circumstances to finance the Plan, those capital expenditures are intended to be reimbursed out of the Bonds of other obligations issued in an amount not to exceed the principal amount of the Bonds authorized by this Resolution.

Section 6: The cost of the Plan shall be paid from the proceeds of the issuance, sale and delivery of the Bonds, if the proposition specified in Section 8 below is approved by the voters of the District as required by the Washington Constitution and the laws of the State, and from other funds of the District. In the event the District has other legally available money or there are Bond proceeds (or interest earnings thereon) remaining after the Plan has been completed or duly provided for, the Commission retains the right to make such additional capital improvements, including but not limited to improvements to Newport Community Hospital or other District health care facilities as are deemed necessary or advisable by the Commission. If in the opinion of the Commission, the needs of the District change in a manner that results in a circumstance wherein any portion of the Plan is not required or feasible, the Commission retains the right not to acquire, construct and install such capital improvements and reallocate the money originally contemplated therefore to other capital improvements deemed more necessary or advisable by the Commission, to pay principal of or interest on the Bonds, or to otherwise modify details of the Plan where deemed necessary or advisable by the Commission. In the event the proceeds of the sale of the Bonds and other legally available money are insufficient to make all the capital improvements herein provided for, the District shall use the available money for paying the costs of those improvements for which Bonds were approved and deemed necessary or advisable by the Commission.

Section 7: The Auditor of Pend Oreille County, Washington as ex officio Supervisor of Elections (the Auditor), is requested to call and conduct an election in the District, to be held on August 4, 2026, in conjunction with the State Primary election to be held on the same date, for the purpose of submitting to the District's voters, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Plan and levy annual excess taxes to repay the Bonds.

If such a proposition is approved by the requisite number of voters, the District will be authorized to issue and sell the Bonds in the manner described in this resolution, spend the proceeds thereof to pay costs of the Plan, and levy annual excess property taxes to repay the Bonds. The money derived from the sale of the Bonds shall be used, either with or without additional money now available or hereafter available to the District.

Section 8: Pursuant to RCW 29A.36.071, the Pend Oreille County Prosecuting Attorney is requested to prepare the concise description of the aforesaid proposition for the ballot title in substantially the following form:

PROPOSITION 1  
PEND ORIELLE COUNTY PUBLIC HOSPITAL DISTRICT NO. 1  
(NEWPORT HOSPITAL AND HEALTH SERVICES)

HOSPITAL EXPANSION AND RENOVATION BONDS

The Commission of Pend Oreille County Public Hospital District No. 1 adopted Resolution No. 2026-02 concerning a proposition to finance improvements to Newport Hospital. This proposition would authorize the District to expand and renovate Newport Community Hospital, including relocating the main entrance and admitting area and expanding imaging, laboratory, rehabilitative therapy, surgical, emergency, trauma, and behavioral health care services, together with other related capital improvements deemed necessary or advisable by the Commission; issue no more than \$51,000,000 of general obligation bonds maturing within 30 years; and levy annual excess property taxes to repay the bonds, all as provided in Resolution No. 2026-02. Should this proposition be:

Approved   
Rejected

Section 9: The Secretary of the Commission or their designee is directed to (a) present a certified copy of this resolution to the Auditor no later than May 1, 2026, and (b) perform such other duties as are necessary or required by law to submit to the District’s voters at the aforesaid special election, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Plan and levy annual excess property taxes to repay the Bonds.

Section 10: For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Commission hereby designates the Superintendent of the District as the individual to whom the Auditor shall provide such notice. The Superintendent of the District and President of the Commission are each authorized individually to approve changes to the ballot title, if any, deemed necessary by the Auditor or Pend Oreille County Prosecuting Attorney.


Section 11: This resolution may be executed by the Commissioners being present and voting in favor of the resolution, in tangible medium, manual, facsimile or electronic form under any security procedure or platform, and notwithstanding any other District resolution, rule, policy or procedure (“electronic form”), or in any other manner evidencing its adoption. The Superintendent, the President, the Secretary, other appropriate officers of the District and bond counsel, Foster Garvey P.C., are each individually authorized to take such actions and to create, accept, execute, send, use and rely upon such documents, records and signatures (including in electronic form) as in their judgment may be necessary or desirable to effectuate the provisions of this resolution. All actions taken prior to the effective date of this resolution in furtherance of and not inconsistent with the provisions of this resolution are ratified and confirmed in all respects.

Section 12: If any provision of this resolution shall be declared by any court of competent jurisdiction to be invalid then such provision shall be null and void and shall be separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution, of the Bonds, or of the levy or collection of taxes pledged to repay the Bonds.


Section 13: This resolution shall become effective immediately upon its adoption.


Section 14: Resolution No. 2026-01 is hereby repealed.


ADOPTED AND APPROVED by the Commission of Pend Oreille County Public Hospital District No. 1, at a regular open public meeting thereof held this 23rd day of April, 2026, the following Commissioners being present and voting in favor of this resolution.

Signed by:  
  
C73699F42BDC4B7...  
President and Commissioner

Signed by:  
  
B02CE91C75134D1...  
Secretary and Commissioner

Signed by:  
  
C7F10191B51047C...  
Commissioner

Signed by:  
  
2FEC6D083AEC47C...  
Commissioner

Signed by:  
  
FE9DB23DBCDF482...  
Commissioner

## CERTIFICATION

I, Melanie Kiss, Secretary of the Commission of Pend Oreille County Public Hospital District No.1 (the District), hereby certify as follows:

1. The foregoing Resolution 2026-02 (the Resolution) is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Commission of the District held at the regular meeting place thereof on April 23, 2026, as that Resolution appears on the minute book of the District ; and the Resolution is now in full force and effect; and
2. A quorum of the members of the Commission was present throughout the meeting and a sufficient number of members of the Commission present voted in the proper manner for the adoption of the Resolution.

In WITNESS THEREOF, I have hereunto set my hand this 23rd day of April, 2026.

PEND OREILLE COUNTY PUBLIC HOSPITAL DISTRICT NO. 1

Signed by:

*Melanie Kiss*

B02CE91C75134D1...

Melanie Kiss, Secretary of the Commission