

PUBLIC HOSPITAL DISTRICT NO. 1
GRANT COUNTY, WASHINGTON

RESOLUTION NO. 12/19-01

A RESOLUTION of the Commission of Public Hospital District No. 1 Grant County, Washington (the "District"), approving the terms of a second amended and restated interlocal agreement and authorizing and directing the superintendent of the District to enter into that agreement and carry out its terms.

WHEREAS, Chapter 70.44.003 RCW authorizes public hospital districts to provide "hospital services and other health care services for the residents of such districts and other persons"; and

WHEREAS, most of the public hospital districts in the State of Washington, including the District and the other public hospital districts located in Grant, Lincoln and Adams Counties, are located in a rural area; and

WHEREAS, the Washington state legislature has determined that maintaining the viability of health care service delivery in rural areas is a primary goal of state health policy and that it is critical to the survival of Washington's rural hospitals that cooperative and collaborative arrangements among rural public hospital districts be pursued; and

WHEREAS, the public hospital district statute, Chapter 70.44 RCW, and the interlocal cooperation act, Chapter 39.34 RCW, expressly authorize rural public hospital districts to enter into joint agreements and contracts for health care service delivery and payment with public and private entities; and

WHEREAS, the District entered into that certain Interlocal Agreement as of June 2017, as amended by the Amended and Restated Interlocal Agreement dated November 30, 2018 (collectively, the "Interlocal Agreement") to jointly and cooperatively provide for certain of the health care needs of people served by public hospital districts in Grant, Lincoln and Adams Counties; and

WHEREAS, the District desires to amend the Interlocal Agreement to add Douglas, Grant, Lincoln and Okanogan Counties Public Hospital District No. 6, dba Coulee Medical Center, as a member of the Grand Columbia Health Alliance; and

WHEREAS, the Commission has determined that it is in the District's best interest and in the best interest of the District's residents and other persons served by the District to amend the terms of the Interlocal Agreement in accordance with the Second Amended and Restated Interlocal Agreement ached hereto as Exhibit A (the "Second Amended Interlocal Agreement"); NOW, THEREFORE,

BE IT RESOLVED by the Commission of Public Hospital District No. 1, Grant County, Washington, that the Second Amended Interlocal Agreement is hereby approved and that the Superintendent of the District is hereby authorized and directed to execute, deliver and carry out the terms of the Second Amended Interlocal Agreement on behalf of the District.

ADOPTED and APPROVED by the Commission of Public Hospital District No.1, Grant County, Washington, at a regular open public meeting thereof, this 17th day of December, 2019, the following Commissioners being present and voting in favor of the resolution.



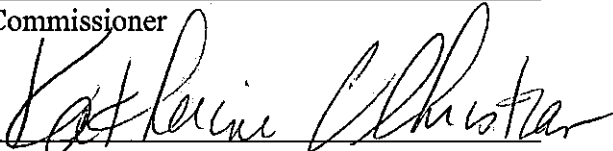
President and Commissioner



Secretary and Commissioner



Commissioner



Commissioner

Commissioner

Exhibit A

Second Amended and Restated Interlocal Agreement

SECOND AMENDED AND RESTATED INTERLOCAL AGREEMENT

This Second Amended and Restated Interlocal Agreement (the "Second Amendment") is entered into as of the 31st day of December, 2019, by and among the rural public hospital districts listed on Exhibit A attached hereto and whose signatures appear on the signature page below (referred to herein individually as the "District" and collectively as the "Districts").

R E C I T A L S

A. The Districts entered into the Interlocal Agreement as of June 2017, as amended by the Amended and Restated Interlocal Agreement dated November 30, 2018 (collectively, the "Interlocal Agreement"), to jointly and cooperatively provide for the health care needs of the people served by the Districts.

B. At the time the Interlocal Agreement was amended and restated, the Districts intended to add Douglas, Grant, Lincoln and Okanogan Counties Public Hospital District No. 6, dba Coulee Medical Center, as a member of the Grand Columbia Health Alliance (the "Alliance"), however Coulee Medical Center did not become a member at that time.

C. The Districts desire to execute this Second Amended and Restated Interlocal Agreement to add Coulee Medical Center as a member of the Alliance and no other changes are contemplated hereby.

D. Chapter 70.44.003 RCW authorizes public hospital districts to provide "hospital services and other health care services for the residents of such districts and other persons."

E. Chapter 70.44.007(2) defines "other health care services" to include "nursing home, extended care, long-term care, outpatient, rehabilitative, health maintenance and ambulance services and such other services as are appropriate to the health needs of the population served."

F. Each of the Districts is located in a rural area and each provides health care services and facilities to District residents, including hospital services.

G. Chapter 70.44.450 RCW expressly authorizes rural public hospital districts to enter into cooperative agreements and contracts with one another under the Interlocal Cooperation Act (Chapter 39.34 RCW) to provide for the health care needs of the people served by the hospital districts, which agreements and contracts are authorized to include combined purchases and allocations of medical equipment and technologies, joint agreements and contracts for health care service delivery and payment with public and private entities, and other cooperative arrangements.

H. Pursuant to the authority granted by Chapter 39.34 RCW and Chapter 70.44 RCW, the Districts wish to negotiate, enter into and carry out joint agreements and contracts for health care service delivery and payment with public and private entities to better meet the health care needs of the residents of the Districts and other persons served by the Districts and, from time to time, to engage in such other joint activities as may be in the best interests of the people served by the Districts.

I. The joint activities pursued under this Interlocal Agreement are referred to as the “Grand Columbia Health Alliance” or “GCHA.”

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants herein contained, the Districts agree as follows:

1. **The GCHA Joint Operating Board.** Pursuant to the authority granted by Chapter 39.34 RCW and Chapter 70.44 RCW, the Districts hereby establish a joint operating board, which shall be known as the Grand Columbia Health Alliance Joint Operating Board (the “GCHA Joint Operating Board”).

a. **The Members of the GCHA Joint Operating Board and Voting Classes.** The GCHA Joint Operating Board shall be composed of each District’s superintendent or such other person as may be designated by the District’s superintendent. There shall be at least two classes of voting rights for members of the GCHA Joint Operating Board. “Class A Voting Rights” shall be held by members representing Districts that operate a hospital within the Territory and pay a full share of the annual funding required pursuant to the Agreement. “Class B Voting Rights” shall be held by members representing Districts that do not operate a hospital within the Territory or pay a partial share or no share of the annual funding required pursuant to the Agreement. Additional qualifications for and additional classes of voting rights may be established by the GCHA Joint Operating Board as set forth in the Bylaws.

b. **Bylaws of the GCHA Joint Operating Board.** The GCHA Joint Operating Board shall adopt bylaws governing the management of the GCHA Joint Operating Board’s business and the regulation of its affairs, including procedures for electing officers and specifying their duties, calling meetings, establishing quorum and voting approval requirements, and designating member representatives. Approval of the initial bylaws, and any amendments thereto, shall require the unanimous approval of the GCHA Joint Operating Board members holding Class A Voting Rights.

2. **The Purpose.** On behalf of the Districts, the GCHA Joint Operating Board may engage in the following activities:

a. Investigate, develop and analyze models and strategies to negotiate, enter into and carry out joint agreements and contracts for health care service delivery and payment with public and private entities that operate within the State of Washington, including support services relating to compliance, information technology, billing, accounting, provider recruitment, nursing services, and care coordination;

b. Review and revise the boundaries of the Territory, which as of the date of the Agreement shall include Grant, Lincoln and Adams Counties;

c. Investigate and prioritize potential collaborative projects, including analyzing benefits and risks, feasibility, planning and implementation costs and community benefits;

d. Develop business plans for potential collaborative projects, which plans shall include feasibility analyses, resource allocations, funding sources and implementation time lines;

e. Engage consultants from time to time as deemed necessary by the GCHA Joint Operating Board to assist GCHA in evaluating the various models and strategies considered by the GCHA Joint Operating Board;

f. Select and implement one or more models or strategies;

g. Engage in collective negotiations with health plans or provider groups desiring to contract in the State of Washington; and

h. Engage in such other collective activities as deemed appropriate by the GCHA Joint Operating Board to further the goal of negotiating, entering into and carrying out joint agreements and contracts for health care service delivery and payment with public and private entities that operate within the State of Washington.

3. Term. Unless sooner terminated as provided herein, this Agreement shall automatically renew for one year periods at the end of each calendar year.

4. Powers. The GCHA Joint Operating Board shall have the following powers in carrying out the purposes of this Agreement:

a. To make and jointly enter into contracts; provided, however, that before entering into any individual contract with a cost in excess of \$80,000 or any combination of contracts that result in an aggregate liability to the Districts in excess of \$250,000, the GCHA Joint Operating Board must first receive the prior written approval of each of the Districts;

b. To hire or fire agents and independent contractors as its deems to be necessary;

c. To have and exercise all other powers necessary to carry out the purposes of this Agreement subject to any restrictions applicable to a joint operating board established pursuant to the authority granted by Chapter 39.34 RCW and Chapter 70.44 RCW; and

d. Such other powers as are consistent with law and this Agreement.

5. Management of GCHA's Activities and Scope of Authority. The Districts agree that the day-to-day management of GCHA's activities and supervision of its agents shall be under the control of the GCHA Joint Operating Board. No District shall have any independent authority to direct the management of GCHA's activities. No District shall have any authority to bind or to act for or to assume any obligations or responsibilities on behalf of any other District or GCHA nor shall the GCHA Joint Operating Board have any authority to bind or act for or to assume any obligations or responsibilities on behalf of any District.

6. Contracts. Any contract entered into by the GCHA Joint Operating Board shall be in writing, include the applicable Districts as parties to the contract and contain a provision permitting termination of such contract upon no more than twelve (12) months' notice in the event this Agreement is terminated.

7. Property. Any property required to carry out the purposes of this Agreement shall, at the discretion of the GCHA Joint Operating Board, be held in the name of one of the Districts or by the Districts jointly as tenants in common or as partners.

8. Funding. Any costs incurred by the GCHA Joint Operating Board on behalf of the Districts in carrying out the activities described in this Agreement shall be allocated among the Districts on the basis of a methodology to be determined by the GCHA Joint Operating Board. That methodology shall include the assessment of annual participation fees and/or fees for specified services as set forth in the Bylaws. To facilitate the payment of expenses on behalf of the Districts, the GCHA Joint Operating Board shall have the authority to establish a special fund with the Treasurer of any District that is a party to this Agreement, which fund shall be designated as the "Operating Fund of the GCHA Joint Operating Board" (the "Operating Fund"). All grant funds received by the Districts jointly or individually to assist in financing the activities covered by this Agreement shall be deposited in the Operating Fund and used to pay the costs incurred by the GCHA Joint Operating Board as described herein and in accordance with the grant terms.

9. Financial Statements. The GCHA Joint Operating Board shall develop and deliver to the Districts as soon as practicable, but no more than 60 days after the close of the fiscal year, an unaudited balance sheet of the GCHA (if the GCHA Joint Operating Board elects to own any property or incur any liabilities as tenants in common or as partners) as of the end of the calendar year and unaudited statements of income and cash flow, each prepared in accordance with generally accepted accounting principles consistently applied, reviewed by the Treasurer of the GCHA Joint Operating Board and clearly reflecting any positive or negative variances from the operating budget approved by the GCHA Joint Operating Board.

10. Audit. An audit of GCHA Joint Operating Board shall occur at such times as the GCHA Joint Operating Board deems to be reasonable or as required by state law and shall be conducted by an independent accounting firm, by the GCHA Joint Operating Board's internal auditors or by the State Auditor, as appropriate under the circumstances. In addition, any District may request an audit of the GCHA Joint Operating Board. In the event that two or more Districts request such an audit, the cost thereof shall be borne equally by those Districts. In the event any District individually requests such an audit, the cost thereof shall be borne entirely by that District.

11. Termination and Distribution.

a. Termination of Agreement. This Agreement may be terminated and the GCHA Joint Operating Board dissolved prior to the expiration of the term specified in Section 3 upon: (i) mutual agreement of all Districts, in which event the termination shall be effective at any time established by mutual agreement, or (ii) receipt of written notice by each of the Districts that one or more of the Districts intends to withdraw or the GCHA Joint Operating Board has approved a resolution expelling a District (which resolution shall require the approval of all Board members but not the member appointed by the District to be expelled), in which event the termination shall be effective no sooner than ninety (90) days from the date that each of the Districts receives the written notice of withdrawal or expulsion; provided, however, that such termination shall not be effective until the completion of the winding up and distribution process as described below or an election by two or more of the Districts to continue the business of the GCHA Joint Operating Board pursuant to the procedures described in Section 12 hereof; and provided further that a District that provides notice of termination shall not be liable for any liabilities incurred by the GCHA Joint Operating Board following receipt of its notice of

termination other than those incurred in connection with the winding up and distribution process described below.

b. Winding Up. Prior to the expiration or termination of this Agreement in accordance with the terms hereof, the GCHA Joint Operating Board shall diligently proceed to wind up its affairs through the payment of all debts and liabilities and the settlement or other disposition of all claims by or against the GCHA Joint Operating Board or any of the Districts arising out of or related to this Agreement. During the period of winding up, the GCHA Joint Operating Board shall have no authority to otherwise carry on the business as prescribed in this Agreement except to the extent necessary to complete the winding up.

c. Distribution. Upon completion of the winding up process, the GCHA Joint Operating Board shall distribute any property that it may then be holding among the Districts in proportion to the annual participation fees that have been made by the Districts pursuant to Section 8 of this Agreement.

d. Books and Records. Upon completion of the winding up and distribution process, the GCHA Joint Operating Board shall make arrangements for the safe storage of its books and records for such period of time as may be needed to satisfy any federal or state record keeping laws then in effect. Such books and records shall be available during normal business hours to the Districts for inspection and copying at their own cost and expense.

12. Election to Continue the Business of the GCHA Joint Operating Board. Upon receipt of a notice of withdrawal or expulsion pursuant to Section 11 hereof, any two or more of the Districts may elect to continue the business of the GCHA Joint Operating Board after reaching an agreement with the withdrawing or expelled District(s) regarding an appropriate allocation of the GCHA Joint Operating Board's assets and liabilities among the withdrawing or expelled District(s) and those that wish to continue the business of the GCHA Joint Operating Board.

13. Notices. Any and all notices or communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been given upon receipt when personally delivered, sent by overnight courier or sent by facsimile or two (2) days after deposit in the United States mail if sent by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the parties at the addresses set forth in Exhibit A or at such other address as any District may specify by notice to the other Districts.

14. Confidentiality. In connection with this Agreement, the parties may exchange certain information relating to their businesses. All such information (whether written or oral) furnished (whether before or after the date hereof) by any party or its commissioners, directors, officers, employees, affiliates, representatives (including, without limitation, financial advisors, attorneys and accountants) or agents (collectively, "Representatives"), and all analyses, compilations, forecasts, studies or other documents prepared by the party to whom it is provided (the "Receiving Party") which contain or reflect any such information is hereinafter referred to as the "Information." The term Information will not, however, include information which (i) is or becomes publicly available other than as a result of a disclosure by the Receiving Party or its Representatives in violation of this Agreement or other obligation of confidentiality, or (ii) is or becomes available to a party on a non-confidential basis from a source other than the party to whom such information belongs and that source is not known by the Receiving Party to be

prohibited from disclosing such information by a legal, contractual or fiduciary obligation. Accordingly, the parties hereby agree that:

a. The Districts acknowledge and agree that, as Washington state public hospital districts and municipal corporations under Washington law, the Districts are required to comply with the Washington State Public Records Act, ch. 42.56 RCW (the "PRA"). Nothing herein shall be deemed to require a District to act in any manner that is inconsistent with such District's obligation under the PRA.

b. The Receiving Party (i) will keep the Information confidential and will not (except as required by applicable law, regulation or legal process, and only after compliance with paragraph (c) below), without the prior written consent of the party who provides the information (the "Disclosing Party"), disclose any Information in any manner whatsoever, in whole or in part; and (ii) will not use any Information other than in connection with carrying out the terms of this Agreement; provided, however, that a Receiving Party may reveal the Information or portions thereof to another party to this Agreement or to the Receiving Party's Representatives (a) who need to know the Information for the purpose of carrying out the terms of this Agreement, (b) who are informed of the confidential nature of the Information, and (c) who are directed by the Receiving Party to treat the Information in a manner consistent with the terms of this Agreement. A Receiving Party will be responsible for any breach of this Agreement by any of its Representatives.

c. In the event that a Receiving Party is requested pursuant to, or required by, applicable law, regulation or legal process to disclose any of the Information received from the Disclosing Party, the Receiving Party will notify the Disclosing Party promptly (unless prohibited by law) so that the Disclosing Party may seek a protective order or other appropriate remedy or, in its sole discretion, waive compliance with the terms of this Agreement. If the Disclosing Party seeks such an order, the Receiving Party will provide such cooperation as the Disclosing Party shall reasonably request. In the event that no such protective order or other remedy is obtained or that the Disclosing Party waives compliance with the terms of this Agreement, and that the Receiving Party or its Representative is nonetheless legally compelled to disclose such Information, the Receiving Party or its Representative, as the case may be, will furnish only that portion of the Information which the Receiving Party is legally obligated to provide, and will give the Disclosing Party written notice (unless prohibited by law) of the Information to be disclosed as far in advance as practicable. Notwithstanding the above, nothing in this subsection shall require any District to act in any manner that violates its obligations under the PRA.

d. If the Districts terminate this Agreement, each Receiving Party will promptly deliver to the Disclosing Party or, at the Disclosing Party's request destroy, all copies of the written Information in its possession, and confirm any such destruction in writing. However, notwithstanding the foregoing, subject to compliance with all other terms of this Agreement: (i) each Receiving Party shall be entitled to maintain a single copy of the Information in its legal records for archival purposes only, and no such archived information shall be disclosed to any third party without the express written consent of the Disclosing Party (except as required by applicable law, regulation or legal process, and only after compliance with paragraph (c) above); and (ii) each Receiving Party shall be entitled to maintain in electronic format any Information that is automatically backed up in the ordinary course of business for the purpose of data recovery in the event of a business disaster. Any Information that was provided orally or is retained pursuant to the terms hereof will continue to be subject to the terms of this Agreement.

e. The Districts acknowledge that remedies at law may be inadequate to protect against any actual or threatened breach of the confidentiality obligations under this Agreement and, without prejudice to any other rights and remedies otherwise available, agree to the granting of specific performance and injunctive or other equitable relief without proof of actual damages. Each District further agrees to waive, and to use all reasonable efforts to cause its Representatives to waive, any requirement for the securing or posting of any bond in connection with any such remedy.

15. Entire Agreement/Modification. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations or discussions with respect thereto. This Agreement may be amended or modified by written instrument signed by the parties hereto. Such amendments may be for the purposes of, among other things, adding or deleting parties to this Agreement or expanding the purposes for which the GCHA Joint Operating Board is organized.

16. Assignment. No party to this Agreement may assign its rights or obligations hereunder, nor any property held under the terms of Section 7 herein.

17. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original but all of which taken together shall constitute but one and the same instrument.

18. Filing Requirements. Upon execution of this Agreement, the parties shall file or list a true and complete copy thereof in compliance with the provisions of Chapter 39.34.040 RCW.

19. Authorization. Each District does hereby represent and warrant to the others that it is duly authorized to enter into and to carry out the terms of this Agreement.

20. Construal of this Agreement. In construing this Agreement:

a. The numbering, ordering, and titling of each provision herein is for convenience only, and is not to affect the construal thereof beyond the sense of the actual words of that particular provision.

b. Any reference herein to a particular local, state, or federal statute or code is to be construed as further referring to any future amended version thereof, or to a corresponding section of any successor statute or code.

c. Absent express text in a provision to the contrary, each occurrence of the word "or" in this Agreement is to be construed as the inclusive "or" (often rendered "and/or"); and each occurrence of the word "either" is to be construed as signifying "either or both of".

d. Absent express text in a provision to the contrary, each occurrence of the word "including" in this Agreement is to be construed as meaning "including but not limited to" and each occurrence of the word "includes" is to be construed as meaning "includes but is not limited to".

e. In this Agreement, the word "shall" is to be construed as signifying an act required of the subject person or entity; the word "may" is to be construed as signifying an elective act of the subject person or entity not precluded by this Agreement.

f. Absent express text in a provision to the contrary, the singular is to include the plural, and vice versa; and the masculine gender is to include the feminine and neuter genders, the feminine gender to include the masculine and neuter genders, and the neuter gender to include the masculine and feminine genders.

21. **Severability.** Should any provision herein or portion thereof be found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, this Agreement shall be construed as close to its originally written sense as possible with the illegal, invalid, or unenforceable provision or portion thereof stricken, and no other provision or provisions, nor the balance, if any, of the subject provision, shall be invalidated thereby.

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the day and year first set forth above.

ADAMS COUNTY PUBLIC HOSPITAL
DISTRICT NO. 2

By: *Angie Peden*
Its: CEO

PUBLIC HOSPITAL DISTRICT NO. 3
ADAMS COUNTY, WASHINGTON

By: *Cornie Agnew*
Its: CEO

PUBLIC HOSPITAL DISTRICT NO. 6
DOUGLAS, GRANT, LINCOLN,
OKANOGAN COUNTIES, WASHINGTON

By: *Ramona Hill*
Its: CEO

PUBLIC HOSPITAL DISTRICT NO. 1
GRANT COUNTY, WASHINGTON

By: *Theresa C. Sullivan*
Its: CEO

PUBLIC HOSPITAL DISTRICT NO. 2
GRANT COUNTY, WASHINGTON

By: *Blenda Bishop*
Its: CEO

PUBLIC HOSPITAL DISTRICT NO. 3
GRANT COUNTY, WASHINGTON

By: *Raafunda Kibby*
Its: CEO

PUBLIC HOSPITAL DISTRICT NO. 1
LINCOLN COUNTY, WASHINGTON

By: *JMP Sheldon*
Its: CEO

EXHIBIT A

**ADAMS COUNTY PUBLIC HOSPITAL
DISTRICT NO. 2
dba East Adams Rural Healthcare
903 South Adams
Ritzville, WA 99169-2298
Attention: Superintendent**

**PUBLIC HOSPITAL DISTRICT NO. 3
ADAMS COUNTY, WASHINGTON
dba Othello Community Hospital
315 N. 14th Avenue
Othello, WA 99344-129
Attention: Superintendent**

**PUBLIC HOSPITAL DISTRICT NO. 6
DOUGLAS, GRANT, LINCOLN,
OKANOGAN COUNTIES, WASHINGTON
dba Coulee Medical Center
411 Fortuyn Road
Grand Coulee, WA 99133-8718
Attention: Superintendent**

**PUBLIC HOSPITAL DISTRICT NO. 1
GRANT COUNTY, WASHINGTON
dba Samaritan Healthcare
801 E. Wheeler Road
Moses Lake, WA 98837
Attention: Superintendent**

**PUBLIC HOSPITAL DISTRICT NO. 2
GRANT COUNTY, WASHINGTON
dba Quincy Valley Medical Center
908 - 10th Avenue SW
Quincy, WA 98848-1376
Attention: Superintendent**

**PUBLIC HOSPITAL DISTRICT NO. 3
GRANT COUNTY, WASHINGTON
dba Columbia Basin Hospital
200 Nat Washington Way
Ephrata, WA 98823-1973
Attention: Superintendent**

**PUBLIC HOSPITAL DISTRICT NO. 1
LINCOLN COUNTY, WASHINGTON
dba Odessa Memorial Healthcare Center
502 E. Amende Drive
Odessa, WA 99159
Attention: Superintendent**