

AMENDED AND RESTATED
BYLAWS OF
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
MONTEREY COUNTY, CALIFORNIA

ADOPTED BY
LOCAL HEALTH CARE DISTRICT BOARD OF DIRECTORS

May 25, 2017



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**AMENDED AND RESTATED BYLAWS
of
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

Monterey County, California

PREAMBLE

These Amended and Restated Bylaws are adopted by the Board of Directors (the “Board”) of Salinas Valley Memorial Healthcare System (“SVMHS” or the “District”), a public health care district organized June 20, 1947, under the terms of the Local Health Care District Law (Health and Safety Code of the State of California, Division 23, Sections 32000-32492), pursuant to Section 32104 of the California Health and Safety Code. These Bylaws are adopted by the SVMHS Board for the purpose of establishing such rules and regulations, not inconsistent with governing laws and regulations, that in the opinion of the Board, are necessary for the exercise of the powers and duties of the Board imposed upon it by Local Health Care District Law and related statutes.

ARTICLE I. PURPOSE, AUTHORITY, OBLIGATIONS

- 1.1 **Purpose.** Salinas Valley Memorial Healthcare System, organized and operating pursuant to Division 23 of the California Health and Safety Code, is committed to serving the healthcare needs of its constituents. The purpose of SVMHS is to establish, maintain, operate and provide assistance in the operation of one or more health facilities or health services at any location inside or outside of the territorial limits of the District for the benefit of the District and the community served by SVMHS; and to do or take any other actions necessary to carry out the provisions of these Bylaws and Local Health Care District Law. SVMHS is committed to quality care in a family centered atmosphere.
- 1.2 **Mission.** The Mission of SVMHS is to provide quality healthcare to our patients and to improve the health and well-being of our community.
- 1.3 **Vision.** The Vision of SVMHS is to be a center of excellence where an inspired team delivers compassionate and culturally sensitive care, outstanding quality, and an exceptional patient experience.
- 1.4 **Authority.** The authority of the Board arises from Division 23 of the California Health and Safety Code, Sections 32000 and following. The Board is required to comply with all federal and state laws and regulations.
 - 1.4.1 **Title to Property.** The title, direction and control of property owned by SVMHS shall be vested in the Board. Purchases or sales of property and investment, transfer or other expenditures of trust funds shall be only upon the signature of the President and Treasurer of the Board, or their designees. Any officer of the Board or the President/CEO of SVMHS is authorized to execute any documents accepting and consenting to any deeds or grants conveying real property to SVMHS.
 - 1.4.2 **Professional and Other Health Care Staff.** The Medical Staff and other health care professionals providing patient care services in or under the auspices of SVMHS are subject to the authority of the Board.

- 1.4.3 Disposition of Surplus Funds. In the event of a surplus of revenue over expenses, use of surplus funds shall be determined by the Board, within the limits of these Bylaws, Local Health Care District Law, and applicable California statutes and regulations.
- 1.5 **Obligations.** The business of SVMHS is conducted by the Board with due attention to relevant community interests and concerns. Obligations of the Board include, but are not necessarily limited to:
 - 1.5.1 Ultimate accountability for the safety and quality of care, treatment, and services provided by SVMHS.
 - 1.5.2 Retain fiduciary responsibility and legal authority for all aspects of operations for SVMHS, Salinas Valley Memorial Hospital (“Hospital”) and Salinas Valley Medical Clinic (“Clinic”), including approval of the Hospital’s and Clinic’s budgets;
 - 1.5.3 Select a President/CEO for SVMHS;
 - 1.5.4 Evaluate the performance of the President/CEO annually in accordance with preset criteria for that year, with a written evaluation conducted every other year;
 - 1.5.5 Delegate certain specific responsibilities, subject to Board authority, to the SVMHS President/CEO;
 - 1.5.6 Delegate certain specific responsibilities, subject to Board authority, to the Hospital Medical Staff;
 - 1.5.7 Take action on the Bylaws, Rules and Regulations of affiliated organizations whose Bylaws are subject to Board approval;
 - 1.5.8 Appoint and/or remove Medical Staff members and grant and/or limit specific clinical privileges, acting upon recommendations from the Medical Executive Committee;
 - 1.5.9 Meet situations not specifically covered in these Bylaws through adoption of resolutions, and/or procedural descriptions in the policies and procedures of the Board; and
 - 1.5.10 Account for SVMHS funds.

ARTICLE II. BOARD MEMBERS

- 2.1 **Number, Qualifications, District Zones, Election and Term.**
 - 2.1.1 Number. The Board shall consist of five (5) elected board members.
 - 2.1.2 Qualifications. Each member of the Board (i) shall be a registered voter; (ii) shall reside within the geographic boundaries of the District Zone where elected; and (iii) shall for the duration of the member’s term continue to reside within the geographic boundaries of the District Zone where elected.

- 2.1.3 District Zones. The District shall consist of five (5) District Zones designated Zone 1, Zone 2, Zone 3, Zone 4 and Zone 5. Beginning with the General Election in November, 2012, and every four (4) years thereafter, the election of members to the Board shall take place in Zone 2 and Zone 3. Beginning with the General Election in November, 2014, and every four (4) years thereafter, the election of members to the Board shall take place in Zone 1, Zone 4 and Zone 5.
- 2.1.4 Election. Each member of the Board shall be elected by the eligible voters within the geographic boundaries of the District Zone represented by the Board member. Procedures of the election shall be governed by Local Health Care District Law and the Uniform District Election Law.
- 2.1.5 Term. Each Board member shall serve a term of four (4) years. Board members may succeed themselves indefinitely. In the event a member is appointed to a vacancy on the Board, such member will serve the balance of the unexpired term of office or will serve until the next consolidated election subsequent to the appointment, as provided in Section 1780 of the California Government Code.
- 2.1.6 Public Meeting Regulations. The District shall cause each Board member and any person elected to serve as a member of the Board who has not assumed the duties of office to receive a copy of California Government Code Sections 54950-54962 (“The Ralph M. Brown Act”).
- 2.2 Duties. Duties of individual Board members include, but are not necessarily limited to:
 - 2.2.1 Attend Board meetings;
 - 2.2.2 Attend meetings of committees to which the member is assigned;
 - 2.2.3 Relate community input to the Board;
 - 2.2.4 Represent SVMHS in a positive and effective manner in public forums;
 - 2.2.5 As appropriate, be politically active on behalf of SVMHS and its interests and needs;
 - 2.2.6 Learn enough details about hospital management and patient care services that the Board member can effectively question reports of both institutional managers and the professional staff, and evaluate the answers;
 - 2.2.7 Accept and fulfill reasonable assignments from the President of the Board;
 - 2.2.8 Participate in the performance evaluation of the Board members pursuant to the evaluation process established by the Board;
 - 2.2.9 Participate in the orientation program for new Board members; and
 - 2.2.10 Become familiar with the provisions of The Ralph M. Brown Act and Local Health Care District Law.

- 2.3 **Removal of Director.** If a Board member is absent from three (3) consecutive regular meetings of the Board, or from three (3) of any five (5) consecutive meetings of the Board, the Board may, by resolution, declare that a vacancy on the Board exists.
- 2.4 **Filling Board Vacancies.** Board vacancies created by removal, resignation, death, or moving out of the boundaries of the District or Zone, shall be filled by the methods provided by law.
- 2.5 **Compensation.** A member of the Board shall receive one hundred dollars (\$100.00) per meeting, not to exceed five (5) meetings per month. Each member of the Board shall be allowed his or her actual necessary traveling and incidental expenses incurred in the performance of official business of SVMHS as assigned by the Board. "Meeting," as that term is used in this Section, shall mean regular and annual meetings held pursuant to Section 5.1 of these Bylaws, special meetings held pursuant to Section 5.3, standing committee meetings held pursuant to Section 4.2, ad hoc committee meetings held pursuant to Section 4.3, and meetings of the Medical Staff of the Hospital.
- 2.6 **Conflict of Interest.** No Board member shall realize economic gain from an action of the Board in which that Board member participated. Board members shall be required to follow the Conflict of Interest Code adopted by the Board.

ARTICLE III. OFFICERS

- 3.1 **List of Officers.** The Officers of the Board shall be:
 - President
 - Vice President
 - Secretary
 - Treasurer
 - Assistant Treasurer
- 3.2 **Qualifications, Selection and Term**
 - 3.2.1 Officers are elected by the Board at the annual meeting from among its own members. Election must be by no less than three (3) votes.
 - 3.2.2 Officers are elected for a period of two (2) years and shall serve until a successor has been duly elected. No Board member shall serve more than six (6) consecutive years in the same office.
 - 3.2.3 A Board member shall not simultaneously hold more than one (1) office.
- 3.3 **Duties of the President.** The President of the Board shall:
 - 3.3.1 Preside at all meetings of the Board;
 - 3.3.2 Execute contracts, correspondence, conveyances, and other written instruments as authorized by the Board; and
 - 3.3.3 Appoint chairpersons and members of Board committees.

- 3.4 **Duties of the Vice President.** The Vice President shall:
 - 3.4.1 In the absence of the President of the Board, assume the duties of the President of the Board; and
 - 3.4.2 Perform such reasonable duties as may be required by the Board or by the President of the Board.

- 3.5 **Duties of the Secretary.** The Secretary shall:
 - 3.5.1 Be responsible for maintaining minutes of Board meetings;
 - 3.5.2 Be responsible for maintaining other documentation as may from time to time be required by the Board's activities; and
 - 3.5.3 Perform such reasonable duties as may be required by the Board or by the President of the Board.

- 3.6 **Duties of the Treasurer.** The Treasurer shall:
 - 3.6.1 Be responsible for the safekeeping, accounting for and disbursement of SVMHS funds, at the direction of the Board; and
 - 3.6.2 Perform such reasonable duties as may be required by the Board or by the President of the Board.

- 3.7 **Duties of the Assistant Treasurer.** The Assistant Treasurer shall:
 - 3.7.1 In the absence of the Treasurer, assume the duties of the Treasurer; and
 - 3.7.2 Perform such reasonable duties as may be required by the Board or by the President of the Board.

- 3.8 **Removal of Officers and Vacancies**
 - 3.8.1 **Removal.** Officers may be removed by vote of three (3) Board members for failure to perform the duties of the office, or for malfeasance in office.
 - 3.8.2 **Vacancies.** Vacancy in any office shall be filled by Board election, as soon as is reasonably possible.

ARTICLE IV. COMMITTEES

- 4.1 **Appointment and Terms of Members of Board Committees.** The President of the Board shall appoint voting members of the Board committees. Appointments are for two (2) years.

- 4.2 **Standing Committees.** All meetings of the standing committees described in this Article, including without limitation regular, adjourned regular, and special meetings, shall be conducted in accordance with the provisions of The Ralph M. Brown Act. The Board of Directors shall adopt Committee Charters to include the purpose, authority, membership and scope of duties for the following standing committees of the Board:
- 4.2.1 Community Advocacy Committee
 - 4.2.2 Corporate Compliance and Audit Committee
 - 4.2.3 Finance Committee
 - 4.2.4 Personnel, Pension and Investment Committee
 - 4.2.5 Quality and Efficient Practices Committee
 - 4.2.6 Transformation, Strategic Planning and Governance Committee
- 4.3 **Additional Committees.** Additional committees, permanent or temporary, can be established at any time and from time to time by the Board.

ARTICLE V. MEETINGS

- 5.1 **Regular Meetings and Annual Meeting.** The Board shall meet each month, and the December meeting is designated the annual meeting. Regular meetings and the annual meeting shall commence at 4:00 p.m., and shall be held at the Hospital or another SVMHS facility located within the District boundaries. If all members of the Board are absent from a regular meeting or the annual meeting, the Secretary shall declare the meeting adjourned to a stated time and place. The Secretary shall cause a notice of adjournment to be posted within twenty-four (24) hours after the adjournment. The Secretary shall cause a written notice of adjournment to be mailed to each Board member at least twenty-four (24) hours before the time and date to which the meeting is adjourned.
- 5.2 **Agenda.** SVMHS shall post an agenda complying with Government Code Section 54954.2 at least seventy-two (72) hours before a regular meeting and before the annual meeting.
- 5.3 **Special Meetings.** Special meetings may be called at any time for a specific, announced purpose by the President of the Board, or on request of any three (3) Board members. SVMHS shall deliver written notice of a special meeting to all Board members at least twenty-four (24) hours before the time of the meeting as specified in the notice. SVMHS shall post the notice of the special meeting at least twenty-four (24) hours prior to the special meeting in a location that is freely accessible to members of the public.

This 24 hour notice requirement shall not apply in an “emergency situation” as defined in California Government Code Section 54956.5. If all members of the Board are absent from a special meeting, the Board secretary shall follow the same adjournment procedures set forth in Section 5.1 of these Bylaws.

- 5.4 **Quorum.** For regular and special meetings of the Board, a quorum shall be three (3) members. For committees, a quorum shall be a majority of the members of that committee, and shall include one (1) Board member.
- 5.5 **Majority Vote.** Actions of the Board shall be by a majority of three (3) members of the Board. No action shall be taken by the Board, however, by secret ballot, whether preliminary or final.
- 5.6 **Minutes.** A record of proceedings of all meetings of the Board and of all standing committees of the Board shall be kept on file.
- 5.7 **Public Meetings.** Except as otherwise provided in the California Government Code, all meetings of the Board shall be open and public, and all persons shall be permitted to attend any meeting, unless otherwise provided by law. Public testimony or comment on a particular issue shall be limited to a maximum of three (3) minutes for each individual speaker for each issue. The Board may, at its discretion, allow for more time if deemed appropriate or necessary.

ARTICLE VI. SVMHS PRESIDENT/CEO

- 6.1 **Employment of SVMHS President/Chief Executive Officer.** A qualified and competent President/CEO shall be employed by the Board and given responsibility for the day-to-day management of SVMHS, subject to Board policy. Such management shall include the selection and evaluation of key management staff.
- 6.2 **Duties of SVMHS President/CEO.** The duties of the President/CEO shall include but not be limited to the following:
 - 6.2.1 The President/CEO, or the President/CEO’s designee, shall make periodic reports to the Board regarding the operations of the Hospital.
 - 6.2.2 The President/CEO shall be a member of all Board committees.
 - 6.2.3 The President/CEO has the authority to sign temporary privileges and Board approvals of Medical Staff membership and/or privileges for and on behalf of the Board.
- 6.3 **Evaluation of SVMHS President/CEO.** The President/CEO shall be evaluated annually in accordance with preset criteria for that year. A written evaluation of the President/CEO by the Board will be conducted every other year.
- 6.4 **CDPH Notification.** The California Department of Public Health shall be notified in writing if a new President/CEO is employed.

ARTICLE VII. MEDICAL STAFF

- 7.1 **Appointment and Duties.** The Board shall:
 - 7.1.1 Appoint a Medical Staff (see Medical Staff Bylaws approved by the Board for descriptions of qualifications for Medical Staff membership and clinical privileges). In appointing practitioners to the Staff, and in granting clinical privileges, the Board acts upon recommendations from the Medical Executive Committee;

- 7.1.2 Approve Medical Staff Bylaws by which the Medical Staff shall govern its affairs, subject to Board policy and to relevant statutes and legal precedents;
 - 7.1.3 Consider appointment and specific clinical privileges of each practitioner at least every two (2) years. The Board acts upon Medical Executive Committee recommendations regarding renewal and/or upgrading and/or restriction of Medical Staff membership and/or clinical privileges for each practitioner subject to the Medical Staff Bylaws;
 - 7.1.4 Require that patient care services provided at the Hospital, or under the auspices of the Hospital be within the scope of privileges granted by the Board;
 - 7.1.5 Receive, question, and act upon regular reports of the clinical activities of Medical Staff members and of other practitioners actively engaged in providing clinical services in or under the auspices of the Hospital;
 - 7.1.6 Provide adequate support personnel to assist the Medical Staff with organizational functions, including Medical Staff membership and clinical privileges (credentialing), physician performance evaluation (peer review), and collection and analysis of clinical data (quality assurance, utilization review, risk management); and
 - 7.1.7 Review, revise and update as appropriate the Performance Improvement Plan for Medical Staff and Hospital activities.
- 7.2 **Termination and Due Process.** Membership on the Medical Staff and specific practice privileges are subject to denial, suspension, termination, or curtailment for cause by the Board. In such an event, due process shall be provided as described in the Medical Staff Bylaws.

ARTICLE VIII. CHIEF MEDICAL OFFICER

- 8.1 **Appointment and Duties.** The President/CEO, after consultation with the Board and with the Medical Executive Committee, may select a Chief Medical Officer who shall:
- 8.1.1 Be a non-voting member of the Medical Executive Committee;
 - 8.1.2 Be responsible to the President/CEO (reporting relationship) and for working with and assisting the Chief of the Medical Staff, the Medical Executive Committee, and clinical department chiefs (functional relationship);
 - 8.1.3 Be concerned, among other duties, with medico-administrative aspects of patient care provided in or under the auspices of the Hospital, and with coordination of organizational functions of the Medical Staff, working with and through the Chief of Staff, Medical Executive Committee, and department chiefs; and
 - 8.1.4 Work with and through the Chief of Staff, Medical Executive Committee, and clinical department chiefs to invoke Article IX of Medical Staff Bylaws when and if necessary.
- 8.2 **Removal.** Removal of the Chief Medical Officer shall be by the President/CEO only after consultation with the Board and Medical Executive Committee.

- 8.3 **Responsiveness to the Medical Staff and Board.** The job description of the Chief Medical Officer and his evaluation by the President/CEO shall include reasonable responsiveness to the needs and concerns of Medical Staff officers and members, clinical department chiefs, and to the Board.

ARTICLE IX. INDEMNIFICATION

- 9.1 **Indemnification of Directors and Officers.** Members of the Board and officers shall be indemnified to the full extent permitted by law against all claims, liabilities and expenses incurred as a result of an action by the Board, except in the instance of willful misconduct in the performance of duties as a director or officer.

ARTICLE X. RULES AND PROCEDURES

- 10.1 **Board Policies and Procedures.** Agreed upon rules and procedures for implementation of these Bylaws may be contained in the policies and procedures of the Board.

XI. AMENDMENT, ADOPTION AND REVIEW

- 11.1 **Amendment.** These Bylaws may be amended at any properly noticed meeting of the Board by a majority of three (3) Board members.
- 11.2 **Adoption.** Adoption of Bylaws shall be by a majority of three (3) Board members, at any properly noticed meeting of the Board.
- 11.3 **Review.** These Bylaws will be reviewed at least every two (2) years for revision as necessary.

REVIEW

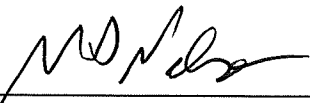
Reviewed by Board/No Revisions July 1, 2019
Reviewed by Board/Amended & Restated May 25, 2017

CERTIFICATE OF SECRETARY

I, the undersigned, the duly elected Secretary of the Board of Directors of Salinas Valley Memorial Healthcare System, do hereby certify:

That the foregoing Amended and Restated Bylaws adopted as the Bylaws of Salinas Valley Memorial Healthcare System by Resolution 2017-05 of the Board of Directors of the Salinas Valley Memorial Healthcare System on May 25, 2017, were reviewed by the Board of Directors without revision, and that the same do now constitute the Bylaws of Salinas Valley Memorial Healthcare System.

Dated: July 1, 2019



Norm Nelson, MD, Board Secretary
Salinas Valley Memorial Healthcare System