

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
3269 Stockton Hill Road
Kingman, Arizona 86409

AGENDA (FEBRUARY 10, 2026)

The Governing Board of Hospital District Number One of Mohave County will meet in Regular Session on Tuesday, February 10, 2026 at 4:00 p.m. The meeting will be held at the Kingman Regional Medical Center Mohave A Conference Room at 3269 Stockton Hill Road, Kingman, Arizona. The Board may vote to go into Executive Session pursuant to A.R.S. § 38-431.03 (A)(3) for legal advice and A.R.S. § 38-431.03 (A)(4) for discussion or consultation with attorneys regarding contracts. The following topics and any variables thereto will be subject to Board consideration, discussion, approval, or other action. All items are set for possible action.

I. CALL TO ORDER

**II. ROLL CALL OF THE HOSPITAL DISTRICT BOARD
MEMBERS**

III. CONSIDERATION AND APPROVAL OF MINUTES

- A. Discussion and possible action regarding the approval of Regular Session Meeting Minutes from the Hospital District Board meeting that occurred on January 13, 2026. Katie Tacheron presenting.

B. Discussion and possible action regarding the approval of Meeting Minutes for the Bylaws Committee meeting held July 22, 2025. Katie Tacheron presenting.

IV. NEW BUSINESS

- A. Discussion and possible action regarding election of Board Officers. Katie Tacheron presenting.
- B. Discussion and possible action regarding the acceptance of the resignation of David French from the Hospital District Board. Katie Tacheron presenting.
- C. Discussion and possible action regarding the removal of David French as a signor for the Hospital District Board checkbook. Katie Tacheron presenting.
- D. Discussion and possible action on the establishment of a plan to replace David French's former position on the Hospital District Board. Katie Tacheron presenting.
- E. Discussion and possible action on the establishment of a replacement Hospital District Board representative to meet with KHI regarding lease terms, including rent, and related matters. Katie Tacheron presenting.
- F. Discussion and possible action regarding creation of proposed future meeting dates, including an initial monthly meeting schedule with a potential transition to a bi-monthly schedule. Katie Tacheron presenting.
- G. Discussion regarding Board Communications and Records Infrastructure – Legal Review and Framework. Logan Marsh presenting.
- H. Discussion and possible action regarding the Hospital District Board's Bylaw changes. Katie Tacheron presenting.

V. OLD BUSINESS

(None)

VI. CALL TO THE PUBLIC

A. Consideration and discussion of comments from the public. Those wishing to address the District Board need not request permission in advance. Each member of the public will be limited to three (3) minutes of speaking time. The District Board is not permitted to discuss or take action on any item raised in the call to the public. However, individual Board members may be permitted to respond to criticism directed to them. Otherwise, the Board may direct that staff review the matter or that the matter be placed on a future agenda. The District Board cannot discuss or take legal action on any issue raised during the Call to the Public due to restrictions of the Open Meeting Laws.

VII. ADJOURNMENT

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the attached notice will be duly sent to the Mohave County Board of Supervisors no later than February 9, 2026 by 4:00 p.m. for posting on their public information board. Also, notice will be posted at 3269 Stockton Hill Road (Main Entrance to KRMC) in Kingman, Arizona no later than February 9, 2026, 4:00 p.m. in accordance with the statement filed by the Hospital District Number One of Mohave County. Dated this 6th day of February 2026.

Posted by Billy Neal

Billy Neal on behalf of:

Katie Tacheron

Vice Chair of Hospital District Number One of Mohave County

Additional Meeting Resources:

Microsoft Teams meeting

Join:

<https://teams.microsoft.com/meet/25687596663552?p=f1WGkVnNIkVfsI8ZGz>

Meeting ID: 256 875 966 635 52

Passcode: ps33FW7Z

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FEB 05 2026
BY: COB @ 11:51am
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David C. French, Board Chair
Kingman Hospital District 1, Mohave County
3269 N. Stockton Hill Road
Kingman, AZ 86401

5 February 2026

Mohave County Board of Supervisors
ATTN: Laura Skubal, Clerk of the Board
700 West Beale St., Third Floor
Kingman, AZ 86401

Re: Resignation

Ms. Skubal:

Please accept my resignation from the board of Kingman Hospital District #One, Mohave County, effective immediately. All required seats on the board have been refilled, and it is time for me to depart.

I have enjoyed serving the county in this capacity and, before that, as a hospital board member (KHI) for almost 40 years. Best wishes to both the district board and the hospital.

Thank you,



David C. French

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY**3269 Stockton Hill Road****Kingman, Arizona 86409****Minutes January 13, 2026**

No call to the public was scheduled for this meeting.

The Governing Board of Hospital District Number One of Mohave County met in Regular Session on January 13, 2024, at 4:00 p.m. The meeting was held at the Kingman Regional Medical Center Mohave A Room at 3269 Stockton Hill Road, Kingman, Arizona.

Members of the Public Present included: KRMC Staff Present.

Jeff Ryder	Allen Poston
Logan Marsh	Chris Bennett
Teresa Boegler	Barry Moore
Steve Pembley	Krystal Burge
	Josh Hoffman
	Heath Evans
	Cheryl Porter
	Emmanuel Buabeng

I. Call to Order

Chair Dave French called the meeting to order at 4:00 PM.

II. Roll Call

Present:

- Dave French, Chair
- Katie Tacheron, Board Member
- Dr. Carol Newmyer, Board Member

- Billy Neal, Interim Recorder
 - Hospital District Board Attorney Tom Price
- A quorum was established.

III. Approval of Previous Minutes

The meeting minutes for the Regular Session August 5, 2025 were reviewed by the board.

Motion by Dr. Newmyer to approve the August 5, 2025 minutes; second by Tacheron. Approved 3–0.

IV. Financial Matters

A. Insurance Limits for KHI. Insurance limits for KHI were presented in the packet. It was verified that all insurance requirements of KHI within the lease with the Hospital District Board were met.

Motion by Tacheron; second by Dr. Newmyer. Approved 3–0.

B. KHI Finance Report & Balance Sheet. Billy Neal presented the finance report and balance sheet, and the report was in the packet.

Motion by Dr. Newmyer; second by Tacheron. Approved 3–0.

C. AHCCCS GME Supplemental Payment Update

Informational discussion only. After some discussion about the initial payment and what was received back from the federal government, no action was taken on this matter.

D. Rent Payments / Cash Projections

The Hospital District Board was presented with their cash projection sheet. It was determined that they would appoint a designee to attend a meeting with the finance team at KHI to discuss a possible plan to increase the rent payments.

Motion by Dr. Newmyer to appoint Dave French as rent negotiation designee; second by Tacheron. Approved 2–0 (French abstained).

V. Bylaws Review and Proposed Changes

After some discussion about what the previous bylaw changes were, how they were not approved before and how possible additions from the Hospital District Board attorney might be necessary, it was deemed necessary for the Hospital District Board to postpone making the current changes official.

Motion by Dr. Newmyer to table bylaws changes; second by Tacheron. Approved 3–0.

VI. Board Secretary Position

The Hospital District Board had a discussion regarding making Billy Neal the official Hospital District Board Secretary.

Motion by French to appoint Billy Neal as Board Secretary; second by Tacheron. Approved 3–0.

VII. Officer Elections

The Hospital District Board discussed the necessity to fill their two vacant positions before discussion and possible action regarding Officer elections.

Motion by Dr. Newmyer to table until vacancies are filled; second by French. Approved 3–0.

VIII. New Business

A. Legal Invoice – Tom Price (\$1,677.05). The Hospital District Board reviewed the \$1,677.05 invoice of Tom Price that was in the packet.

Motion by Dr. Newmyer; second by Tacheron. Approved 3–0.

B. Board Vacancies

The Hospital District Board discussed the importance of privacy when discussing the candidates for the vacant positions on the Hospital District Board and an Executive Session was proposed.

Motion by Dr. Newmyer to go into Executive Session; second by Tacheron. Approved 3–0.

Executive session held from 4:59 PM – 5:16 PM.

Motion by Dr. Newmyer to resume Regular Session; second by Tacheron. Approved 3–0.

The Hospital District Board members each took a piece of paper and wrote down the names of their desired candidates to be submitted to the Secretary as a vote. The candidates that earned two votes would meet the requirements to join the Hospital District Board. The papers were submitted and only one candidate received the necessary two votes. Teresa Boegler had 3 votes in the first round of voting.

Teresa Boegler elected to Vacancy #1. Motion by Tacheron; second by Dr. Newmyer. Approved 3–0.

The Hospital District Board then had a discussion regarding the absence of Carol Campbell at this meeting, and that she should be eliminated as a candidate.

Carol Campbell removed as a candidate. Motion by Dr. Newmyer; second by Tacheron. Approved 3–0.

The Hospital District Board then took a second vote via paper submission. The second vote ended in a tie.

Motion by French to elect Stephen Pebley to the Hospital District Board, with no second. Motion failed because of lack of a second.

A third vote by paper submission was held and this vote had one clear winner. Logan Marsh earned 2 out of 3 votes.

Logan Marsh elected to Vacancy #2. Motion by Tacheron; second by Dr. Newmyer. Approved 3–0.

IX. KHI Report

After discussion regarding KHI's plans to purchase new furniture for the facility, the Hospital District Board was made aware that the furniture investment would exceed the \$250,000 investment ceiling within the lease with KHI, causing this agenda item to need approval by the Hospital District Board.

Motion by Dr. Newmyer to approve KRMC furniture project; second by Tacheron. Approved 3–0.

X. Adjournment

Motion to Adjourn by Tacheron; second by Dr. Newmyer. Meeting adjourned at 5:27 PM.

Respectfully submitted by: Billy Neal

Billy Neal, Recording Secretary on behalf of:

Katie Tacheron

Vice Chair of Hospital District Number One of Mohave County

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
3269 Stockton Hill Road
Kingman, Arizona 86409
Special Bylaws Minutes July 22, 2025

The Governing Board of Hospital District Number One of Mohave County met in Special Session on July 22, 2025, at 12:45 p.m. The Bylaws meeting was held at the Kingman Regional Medical Center Board Room, 3269 Stockton Hill Road, Kingman, Arizona. The following topics were discussed.

I. CALL TO ORDER

Meeting called to order by Vice Chair Tacheron at 12:46p.m.

II. ROLL CALL OF THE HOSPITAL DISTRICT BOARD MEMBERS

The following Board Members were in attendance:

Mr. Dave French Present
Ms. Katie Tacheron Present
Ms. Carol Newmyer Present

Also in attendance via Teams is the District Board Attorney, Mr. Tom Price.

Members of the Community in attendance include Teresa Boegler, Logan Marsh, and Jacob Marsh. All guests introduced themselves.

III. CONSIDERATION AND APPROVAL OF MINUTES

A. None

IV. NEW BUSINESS

A. Reviewed Hospital District Number One of Mohave County Bylaws and make recommendations for modification to Hospital District Number One Mohave County Full Board:

1. Motion made by Mr. French to include lawyer, second by Ms. Tacheron. All three members in favor.
2. Discussion held regarding statutes 1901 vs 1907. Mr. Price explained the purpose of each. Motion made by Ms. Newmyer to keep 1907 as in current version, second by Mr. French. All members in favor.
3. Previous section 1. Powers, reviewed with suggested changes. After discussion and explanation from Mr. Price, the decision was made to not add draft language. Mr. French motioned to add language to the end of paragraph 2 to say, "and honors the lease." Ms. Newmyer seconded. All members in favor.
4. Section 3. Ms. Tacheron motioned to strike out, "or until a successor has been qualified." Motion seconded by Mr. French. All members in favor.

5. Section 3. #2. Ms. Tacheron motioned to add language, "In the event there is a vacancy," after the word "Appointed." Second by Mr. French. All members in favor.
6. Section 4. Vacancies. Motion made by Mr. French to strike language that says must be, "advertised to the public via newspaper(s)," and modify language from "Hospital District webpage" to "Hospital District website."
7. Mr. Price gave opinion on each elected body via the election process. Must remove via statutes, even if not doing their job. Other recourse but the Board does not have authority to remove a member. A question was asked by Ms. Newmyer if there is a statute. Mr. Price confirmed that there is. If convicted of a felony or absent 3 months there is a statute about withholding pay. District Board Members are not paid so this does not apply to this situation. To remove a person, there must be a recall election.
8. Article II. Section 3. Add, "and on the District website." Ms. Tacheron made a motion to add. Second by Ms. Newmyer. All members in favor.
9. Section 6. Mr. Price will draft the language to match the relevant statute.
10. Article IV. Section 1.
 - a. Add language after the biennial election of the Directors, "which shall occur at the first meeting of the new year." Ms. Tacheron motioned. Mr. French seconded and all members were in favor.
 - b. The group decided to use the draft language provided by the previous District Board attorney at the top of page 4.
11. Section 2. Removal. Remove agents and employees. Motion Ms. Tacheron, second Ms. Newmyer. All in favor.
12. Section 3. Chairman. Add the following to the beginning. "The chairman may consult legal counsel.chris"
13. Discussion was held regarding Board members meeting outside of the larger Board and Ms. Newmyer asked what the recourse was if the Chairman is doing something against open meeting law. She asked who can that person go to. The recommendation by Mr. Price was that the concern regarding potential violations should be placed on the agenda and discussed in the next District Board meeting. He also reminded the group that two members and the attorney constituted a quorum.

Mr. Price left the meeting at 1:24 p.m.

14. Discussion was held regarding the handling of activity that was the concern by other members. Ms. Newmyer further stated that in the past it was problematic that the Board was not able to discuss items unless it was on the agenda. Ms. Tacheron asked Ms. Newmyer to draft thoughts on this language for future discussion and consideration.
15. Article V Ancillary Positions was added/moved. Language was added after shall perform, "specific Board related secretarial duties"and powers.... Duties were added to include secretary is the custodian of all District related emails. Ms. Tacheron motioned; DF seconded. All members in favor.
16. Article VI. Section 2. Board chair will check with Mr. Price regarding scope of Mohave County Treasurer.

17. The previous board had considered adding a Code of Conduct section. Discussion was held. Ms. Newmyer motioned not to add the section. Second by Mr. French. All members in favor.

V. OLD BUSINESS

- A. None

VI. ADJOURNMENT

The meeting was adjourned at 2:02 p.m.

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the attached notice will be duly sent to the Mohave County Board of Supervisors no later than July 21, 2025, 12:45 p.m. posting on their public information board. Also, notice will be posted at 3269 Stockton Hill Road (Main Entrance to KRM) in Kingman, Arizona no later than July 21, 2025, 12:45pm in accordance with the statement filed by the Hospital District Number One of Mohave County.

Dated this July 21, 2025

Posted by Cheryl Porter
Cheryl Porter on behalf of:

David French
Vice Chair Hospital District Number One of Mohave County

Katie Tacheron
Bylaws Chair Hospital District Number One of Mohave County

Backup Packet

Board Communications, HIPAA, and Continuity of Governance

Purpose: This document consolidates background material supporting the agenda item on board communications and records infrastructure. It is intended to provide a reference that explains the governance, legal, and practical considerations involved. This material is informational only and does not recommend or direct a specific action.

1. Why This Topic Is on the Agenda

Hospital District boards are independent political subdivisions with taxing authority and long-term statutory responsibilities. Board membership changes over time, but the District's obligations, records, and public accountability do not.

Communications and records infrastructure must therefore support:

- continuity of governance
- clear custody of public records
- compliance with Open Meeting Law
- separation of governance from hospital operations

When board communications rely on hospital-managed systems, personal email accounts, or informal practices, structural risk increases. This agenda item is intended to evaluate appropriate frameworks before any action is considered.

2. Continuity of Government and Records Integrity

Continuity of government requires that institutional knowledge, records, and access are not dependent on individual board members.

Key principles:

- Board members are temporary stewards; the District is permanent
- Public records must remain accessible across board turnover
- No individual should control access to official communications or documents

Reliance on personal email accounts or externally controlled systems creates risk of:

- lost or incomplete records
- inconsistent retention practices
- difficulty responding to public records requests
- reliance on informal handoffs during transitions

County-managed or third-party systems provide institutional ownership of accounts and records, allowing seamless onboarding and offboarding of board members.

3. HIPAA and Accidental Disclosure Risk

Hospital District board members are not subject to HIPAA in their governance role and should not receive protected health information.

HIPAA concerns arise not because the board is covered, but because structural overlap can create public confusion.

When board materials or contact points are associated with hospital systems, members of the public may reasonably but incorrectly assume:

- the board is part of hospital operations
- medical information should be sent to board members

The primary risk is accidental receipt of sensitive information, not misuse.

If a board member receives medical or HIPAA-related material:

- the information should not be retained or acted upon
- the sender should be redirected to appropriate hospital channels

Clear separation of board communications helps reduce confusion and protects individual board members from receiving information they should never have had.

4. County-Managed Administration: Common Practice

It is common for independent taxing or political subdivisions to use county-managed administrative services through Intergovernmental Agreements or service contracts. These arrangements provide infrastructure support without transferring governance authority.

Examples include:

- Fire districts

- Library districts
- Flood control districts
- Special road and improvement districts
- Parks and recreation districts
- Water and sanitation districts

In these cases, counties often provide email, records retention, IT support, payroll, HR, accounting, or compliance infrastructure, while district boards retain full governing authority.

Providing administrative services does not equate to ownership or control.

5. Why the Hospital District Fits This Model

The Hospital District shares key characteristics with other independent districts that use county-managed administration:

- independent taxing authority
- public records and transparency obligations
- rotating board membership
- long-term statutory and fiduciary responsibilities

Because the District governs but does not operate the hospital, maintaining clear separation between governance systems and hospital operational systems is especially important.

6. Scope and Limits of This Discussion

This backup material is intended to support discussion of:

- whether county-managed or third-party systems are legally and practically appropriate
- what framework best supports continuity, compliance, and clarity

It is not intended to:

- direct implementation
- assign fault
- criticize current or past practices
- replace legal advice

7. Summary

County-managed or third-party communications infrastructure is a common, established approach for independent districts seeking continuity of governance, records integrity, and reduced risk.

The purpose of this agenda item is to establish a clear framework and seek legal guidance before considering any future direction or action.

BYLAWS
OF
HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

Any verbiage in red ink was a suggestion made by the former Chairperson of the Hospital District Board (Penny Holden) and although was not made official, was considered by the board during Cheryl's Meeting Minutes.

ARTICLE I

The District

The District was established by an Order of the Board of Supervisors of Mohave County, Arizona, December 20, 1982. The District was established in accordance with the provisions of Arizona Revised Statutes 48-1907.

Article II

Directors

Section 1. Powers. The management and control of the District is vested in the Board of Directors. The Board shall serve without compensation except that the members may receive reimbursement for the necessary and actual expenses incurred while on District business as approved by the Board, and a statutory per diem when away from the District on business of the District. The Board may employ personnel necessary to conduct affairs of the District.

The Board of Directors may purchase surgical instruments, hospital equipment, ambulance equipment and other property and supplies necessary for equipping a hospital, urgent care centers, or combined hospital and ambulance service. The Board may purchase real property, and erect or rent and equip buildings or rooms necessary for the hospital. The Board of Directors shall lease the hospital as provided by statute provided that, when any bonded indebtedness of the District has been paid, the Board of Directors may lease the hospital and its equipment to any person or corporation for the purpose of conducting a health care facility upon such terms and conditions as the Board of Directors of the District deems to be beneficial to the District.

Section 2. Number and Qualifications. The number of directors shall be five. Each director must be a qualified elector and a resident real property owner within the District prior to assuming the office; and must not be an elective or appointive state, county or city official.

Section 3. Term and Election.

a. Term. Directors shall serve a four-year term beginning on the first day of the month immediately following declaration of election to office, or until a successor has been qualified.

b. Biennial Elections. Biennial elections shall be held on either the fourth

Tuesday in February, the second Tuesday in June or the first Tuesday after the first Monday in November, on every even numbered year for the purpose of electing directors to fill vacancies resulting from the expiration of the terms of directors. If only one person files a nominating petition for an election to fill a position on the Board for which the term of office is to expire, the Board may cancel the election for that position and appoint the person who filed a nominating petition to fill the position.

Section 4. Vacancies. If at any time, by reason of death or resignation or failing to possess the qualifications of a director or other cause, there shall be a vacancy on the Board, a majority of the remaining directors may appoint a qualified person to fill the vacancy for the balance of the term. **The individual(s) to be considered for the appointed position(s) on the Board must submit a letter of intent to the current Board of Directors. The vacant position(s) must be advertised to the public via the newspaper(s) and/or the Hospital District webpage.**

Article III

Meetings

Section 1. Place of Meetings: Meetings of the Board of Directors shall be held at such places within the District as may be designated from time to time by the Board of Directors.

Section 2. Open Meeting. The Board of Directors is a public body subject to the provisions of the Arizona Open Meeting laws A.R.S. §38-431, et. seq. All official meetings at which any legal action is taken by the Board shall be public meetings, and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings.

Section 3. Notice of Meetings. The Board of Directors shall give public notice of all regular meetings by annually filing with the Clerk of the Board of Supervisors of Mohave County a statement stating where all notices of its meetings will be posted and shall give such additional public notice as is reasonable and practicable as to the time and place of all public meetings. These notices shall be posted within the boundaries of the District.

Section 4. Executive Sessions. An executive session of the Board of Directors may be held pursuant to the provisions of A.R.S. §38-431.03 and upon a majority vote of the members consisting of a quorum for the purpose set forth therein.

No executive session may be held for the purpose of taking any legal action involving a final vote or decision.

Minutes of executive sessions shall be kept confidential except from members of the Board of Directors or employees who are the subject of discussion or consideration at the session or as otherwise provided by law.

If an executive session is to be held, any notice of that meeting shall be given to the members of the Board and to the general public stating the specific provision of law

authorizing such a session.

Section 5. Special Meetings. Meetings other than regularly scheduled meetings shall not be held without at least twenty-four hours' notice to the members of the governing body and the general public. In case of an actual emergency, a meeting may be held upon such notice as is appropriate to the circumstances.

Section 6. Quorum. Three members of the Board of Directors shall constitute a quorum for the transaction of business.

Section 7. Waiver of Notice. Attendance of a Director at any meeting shall constitute a waiver of notice of that meeting, except when the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director can waive notice of a meeting by signing a written waiver or consent. All such waivers or consents shall be filed with the District records.

Article IV

Officers

Section 1. Officers. The officers of the District shall consist of a Chairman and a Vice-Chairman, which the Board shall elect from its membership not later than sixty (60) days after the biennial election of Directors. In addition, the Board may appoint a Secretary who shall not be a member of the Board and who may be paid a salary fixed by the Board.

Section 2. Removal. All officers, agents and employees of Hospital District Number One of Mohave County are employees at will, subject to removal at any time by the affirmative vote of a majority of the Board of Directors.

Section 3. Chairman. The Chairman shall preside at all meetings for the directors. He may sign and execute all authorized contracts, agreements, documents or other instruments or applications in the name of the District. Subject to the direction of the Board of Directors, he shall have general charge of the business and affairs of the District. The Chairman shall do and perform such other duties and have such other power as from time to time may be assigned by the Board of Directors.

Section 4. Vice-Chairman. The Vice-Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman and shall perform such other duties as the Board of Directors shall prescribe.

Section 5. Secretary. The Secretary shall keep minutes of all Board meetings which shall be open to public inspection three (3) working days after the meeting except as otherwise special provided by law. The Secretary shall attend to the giving and service of all

notices of the District. The Secretary shall attest all contracts authorized by the Board of Directors, and shall perform the duties usually pertaining to the office of Secretary and have such other duties and powers as may be assigned from time to time by the Board of Directors. The Secretary does not have to be a member of the Board of Directors.

Section 6. Treasurer. The treasurer of Mohave County shall, by virtue of that office, be the treasurer of the District. The Treasurer shall keep all monies of the District in a separate fund, or upon direction of the Directors, in more than one separate fund, as provided by statute, and shall pay from such fund or funds on warrants drawn on the fund or funds. All monies collected on behalf of the District shall be remitted promptly to the Mohave County Treasurer for the account of the District.

Article V General Provisions

Section 1. Conflict of Interest. The Board of Directors, officers and employees of the District shall be subject to the Arizona Conflict of Interest Statutes, A.R.S. §38-431, et. seq.

No contract or other transactions between the District and its directors or officers or any other corporation, firm, association or entity in which its directors or officers are members, trustees or officers or are financially interested is either void or avoidable because of the relationship or interest or because the director or officer is present at the meeting of the Board of Directors which authorizes, approves or ratifies such contract or transaction or because his or her votes are counted for such purpose, if any of the following apply:

- (a) The fact of such relationship or interest is disclosed or known to the Board of Directors which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of those interested Directors.
- (b) The fact of such relationship is disclosed or known to the members entitled to vote on the matter, and they authorize, approve or ratify the contract or transaction by vote or written consent.
- (c) The contract or transaction is fair and reasonable to the corporation at the time the contract or transaction is authorized, approved or ratified in the light of circumstances known to those entitled to vote on the matter at that time.
- (d) Interested directors or officers may be counted in determining the presence of a quorum at a meeting of the Board of Directors, or a committee of directors or members, which authorized, approved or ratified the contract or transaction.

Section 2. Books and Records. The District shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors.

Books, records and minutes shall be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 3. Annual Report. Not later than July 15 of each year the Board of Directors shall furnish to the Mohave County Board of Supervisors a report of the operation of the District for the past year, together with an estimate in writing of the amount of money needed to be raised by taxation for all purposes required or authorized by law during the next fiscal year.

In addition, the Board of Directors shall cause to be timely filed with required officials such annual reports, budgets and audits as are required by state statute.

Section 4. Warrants, Contracts and Instruments. All warrants, contracts and instruments involving the payment of money, by or creating any obligation binding upon the District shall be signed by at least two members of the Board.

Section 5. Bonds. Bonds may be issued by the District to provide for the carrying out of any of the powers or purposes granted the District by law. The District shall not incur a bonded indebtedness exceeding ten percent of the assessed value of all taxable property in the District as shown by the latest assessment roll of Mohave County.

Article VI

Indemnification

Section 1. Indemnification in Actions by Third Parties. The District shall indemnify and hold harmless any director, officer, or employee of the District who was or is a party or is threatened to be made a party to any claims, cause of action, suit or proceeding, other than an action by or in the right of the District, by reason of the fact that he or she is or was a director, officer or employee of the District. This indemnification applies to all costs including attorneys' fees, and judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding. No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for willful and wanton or gross negligence or misconduct in the performance of his or her duty to the District, unless and only to the extent that the court in which such action or suit was brought shall determine that such person is fairly and reasonably entitled to indemnity. The court in which any such action or suit was brought may determine that, in view of all circumstances of the case, indemnity for the amounts so paid in settlement is proper and may order indemnity for amounts so paid in settlement and for the expenses, including attorneys' fees, actually and reasonably paid in connection with such application.

Section 2. Indemnification Against Expenses. To the extent that a director, officer or employee of the District has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of Article VI of these bylaws, or in defense

of any claim, issue or matter therein, he or she shall be indemnified against expenses, including costs, and attorneys' fees, incurred by him or her in connection therewith.

Section 3. Required Determinations. Any indemnification under Section 1 or 2 of Article VI of these bylaws, unless ordered by a court, shall be made by the District only as authorized in the specific case upon a determination that indemnification of a director, officer or employee is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 1 and 2 of Article VI of these bylaws. Such determination shall be made by any of the following:

- (a) By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding.
- (b) If such quorum is not obtainable, then in a written opinion of independent legal counsel appointed by a majority of the disinterested directors for that purpose.
- (c) If there are no disinterested directors, by the court or other body before which the action, suit or proceeding was brought or any court of competent jurisdiction upon the approval of an application by any person seeking indemnification, in which case indemnification may include the expenses, including costs and attorneys' fees, paid in connection with such application.
- (d) By the registered voters of the District.

Section 4. Advance of Expenses. Expenses, including attorneys' fees, incurred in defending a civil or criminal action, suit or proceeding may be paid by the District in advance of the final disposition of the action, suit or proceeding as authorized in the manner provided in Section 3 of Article VI of these bylaws.

Section 5. Other Indemnification. The intent of these bylaws is to provide the maximum indemnification to an officer and director or employee of the District as is possible. The indemnification provided in Article VI of these bylaws is not exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors, and administrators of such person. It is not the intent of these bylaws to limit the scope or applicability of the provisions of ARS 48-187, which provides immunity from civil liability to a person who, serves on the governing body of this District.

Section 6. Insurance. The District shall have power to purchase and maintain insurance on behalf of any person who is or was director, officer or employee of the District against any liability asserted against him or her and incurred by him or her in any such capacity

or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under Article VI of these bylaws.

Article VII

Dissolution

The District may be dissolved by the majority vote of all District taxpaying electors voting on the question of dissolution at a special election called to vote on the question. The election shall be called by the Mohave County Board of Supervisors upon application of the Board of Directors of the District or upon the filing of a petition signed by twenty-five percent of the electors of the District. If a district is dissolved, all property, buildings, equipment and other items owned by the district shall thereupon become the property of Mohave County.

Article VIII

Amendment

These bylaws may be altered, amended or repealed by an affirmative vote of three-fifths (3/5) of the Directors then in office, as long as any such amendment would conform to the laws of the State of Arizona.

CERTIFICATE OF SECRETARY REGARDING BYLAWS

The undersigned hereby certifies that he or she is the duly appointed and acting secretary of Hospital District Number One of Mohave, and that the foregoing bylaws, consisting of eight (8) pages (exclusive of cover sheet, table of contents and this certification) were duly reviewed as of April 27, 2018 and that they constitute the bylaws of said District in effect as of this date.

Dated this _____ day of _____, _____.

Secretary Hospital District Number One of
Mohave County

Previously reviewed and/revised: July 2012; May, 2011; May, 2008; July 2007, July, 2006, May 3, 2005, March 2, 2004.

HOSPITAL DISTRICT POLICY

HD 101

GIFT POLICY

No elected member of the District Board shall accept any gift or remuneration of any type, from any party, other than meals served as part of their official duties or logo marketing items from Kingman Regional Medical Center. Nothing herein, however, shall preclude Board members from attending parties, picnics or similar occasions sponsored by Kingman Regional Medical Center or its employees, in recognition of the importance of a close and congenial working relationship between the Board and Kingman Regional Medical Center.

Daniel W. Wynkoop, Chairman

Adopted: November, 1999

BYLAWS
OF
HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

ARTICLE I

The District

The District was established by an Order of the Board of Supervisors of Mohave County, Arizona, December 20, 1982. The District was established in accordance with the provisions of Arizona Revised Statutes 48-190~~et. 7~~

ARTICLE II

DIRECTORS

Section 1. Powers. The management and control of the District is vested in the Board of Directors. The Board shall serve without compensation except that members may receive reimbursement for the necessary and actual expenses incurred while on District business as approved by the Board, and a statutory per diem when away from the District on business of the District. The Board may employ personnel necessary to conduct affairs of the District.

~~The Board of Directors may purchase surgical instruments, hospital equipment, ambulance equipment and other property and supplies necessary for equipping a hospital, urgent care centers, or combined hospital and ambulance service.~~ The Board of Directors may purchase real property, and erect or rent and equip buildings or rooms necessary for the hospital. The Board of Directors shall lease the hospital as provided by per statute 48-1907 provided that, when any bonded indebtedness of the District has been paid, the Board of Directors may lease the hospital and its equipment to any person or corporation for the purpose of conducting a health care facility upon such terms and conditions as the Board of Directors of the District deems to be beneficial to the District.

Section 2. Number and Qualifications. The number of directors shall be five. Each director must be a qualified elector (Arizona Code Title 16 Article 1) and a resident real property owner within the District prior to assuming the office; and must not be an elected or appointed state, county or city official. All Board Members are required to have a clear understanding and knowledge of the Arizona Open Meeting Laws, Attorney General's Chapter 7, and A.R.S. Title 48 -1901 to 48-1919.

NEW NOTE/CAUTION: THE ADDITION OF "ALL BOARD MEMBERS, ETC. IS NOT SOMETHING THAT SHOULD BE PUT INTO ANY BYLAWS. THERE IS NO WAY TO MEASURE THIS PROPOSED ADDITION, WHICH CAN LEAD TO BOARD MEMBER BYLAWS NONCOMPLIANCE. SUCH A STATEMENT CAN BE INCORPORATED INTO A SEPARATE DOCUMENT OR AS PART OF A LETTER OF INTENT WHEN APPLYING FOR A VACANT BOARD POSITION. THEREFORE, IT IS RECOMMENDED THAT THIS STATEMENT BE REMOVED AS A BYLAW ADDITION.

Section 3. Term and Election.

- a. Term. Directors shall serve a four-year term beginning on the first day of the month immediately following declaration of election to office, ~~, or until a successor has been qualified~~ ?
- b. Biennial Elections. Biennial elections ~~and/or appointments shall be held on either the fourth Tuesday in February, the second Tuesday in June or the first Tuesday after the first Monday in November, on every even numbered year for the purpose of electing directors to fill vacancies resulting from the expiration of the terms of directors of the Board of Directors shall be as follows:~~
- (1) Elected. Board of Director elections shall occur during the general election cycle in even numbered years.
- (2) Appointed. The current Board of Directors shall appoint a qualified successor, as defined in these bylaws Article II Section 2, and shall serve the remaining term of the vacancy they are fulfilling. VACANCY

If only one person files a nominating petition for an election to fill a position on the Board for which the term of office is to expire, the Board may cancel the election for that position and appoint the person who filed a nominating petition to fill the position.

Section 4. Vacancies. If at any time, by reason of death or resignation or failing to possess the qualifications of a director or other case, there shall be a vacancy on the Board, a majority of the remaining directors may appoint a qualified person to fill the vacancy for the balance of the term. The individual(s) to be considered for the appointed position(s) on the Board must submit a letter of intent to the current Board of Directors. The vacant position(s) must be advertised to the public via the newspaper(s) and/or the Hospital District webpage. NO

ARTICLE III

MEETINGS

Section 1. Place of Meetings: Meetings of the Board of Directors shall be held at such places within the District as may be designated from time to time by the Board of Directors.

Section 2. Open Meetings. The Board of Directors is a public body subject to the provisions of the Arizona Meeting Laws A.R.S. §38-431, et. seq. All official meetings at which any legal action is taken by the Board shall be public meetings, and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings.

Section 3. Notice of Meetings. The Board of Directors shall give public notice of all regular meetings by annual filing with the Clerk of the Board of Supervisors of Mohave County a statement stating where all notices of its meetings will be posted and shall give such additional public notice as is reasonable and practicable as to the time and place of all public meetings. These notices shall be posted within the boundaries of the District and on the District's webpage.

Section 4. Executive Sessions. An executive session of the Board of Directors may be held pursuant to the provisions of A.R.S. §38-431.03 and upon a majority vote of the members consisting of a quorum for the purpose set forth therein.

No executive session may be held for the purpose of taking any legal action involving a final vote or decision.

Minutes of executive sessions shall be kept confidential except from members of the Board of Directors or employees who are the subject of discussion or consideration at the session or as otherwise provided by law.

If an executive session is to be held, any notice of that meeting shall be given to the members of the Board and to the general public stating the specific provision of law authorizing such a session.

Section 5. Special Meetings. Meetings other than regularly scheduled meetings shall not be held without at least twenty-four hours' notice to the members of the governing body and the general public. In case of an actual emergency, a meeting may be held upon such notice as is appropriate to the circumstances.

Section 6. Quorum. Three members of the Board of Directors shall constitute a quorum for the transaction of business.

Section 7. Waiver of Notice. Attendance of a Director at any meeting shall constitute a waiver of notice of that meeting, except when the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director can waive notice of a meeting by signing a written waiver or consent. All such waivers or consents shall be filed with the District records.

Article IV

Officers

Section 1. Officers. The officers of the District shall consist of a Chairman and a Vice-Chairman, which the Board shall elect from its membership not later than sixty (60) days after the biennial election of Directors, which shall occur at the first meeting of the new year. In addition, the Board may appoint a Secretary who shall not be a member of the Board and who may be paid a salary fixed by the Board. NOTE: Line 2, after the word "shall," the sentence will remain as written until attorney clarification can be obtained to ascertain whether or not the verbiage must be verbatim according to Title 48-1908e or if current wording meets the intent of the statute. Proposed wording: after the word "shall" delete the word "elect" and insert "meet and reorganize by electing....."



NEW NOTE: THE PROPOSED WORDING IN THIS SECTION DOES NOT NEED TO BE VERBATIM AS WRITTEN IN TITLE 48. THE INTENT OF THE ARIZONA STATUTE WOULD BE BETTER STATED AND CLARIFIED AS FOLLOWS:

The Officers of the District shall consist of a chairman and vice chairman who shall each serve in such a capacity for 2 years. Not later than sixty (60) days at the end of each officer's 2-year term, the Board shall meet and elect, from its membership, a chairman and vice chairman.

Section 2. Removal. All officers, ~~agents and employees~~ of Hospital District Number One of Mohave County are ~~employees~~ at will, subject to removal at any time by the affirmative vote of a majority of the Board of Directors.

*No
Reason*

NEW NOTE: SINCE THIS SECTION APPLIES ONLY TO OFFICERS, THE TERMS AGENT AND EMPLOYEE SHOULD BE REMOVED.

Person on chair

Section 3. Chairman. The Chairman shall preside at all meetings for the directors. He or she may sign and execute all authorized contracts, agreements, documents, legal consultation or other instruments or applications in the name of the District. Subject to the direction of the Board of Directors, he or she shall have general charge of the business and affairs of the District. The Chairman shall do and perform such other duties and have such other power as from time to time may be assigned by the Board of Directors.

NEW ADDITION: ADDED THE WORDS LEGAL CONSULTATION.

Section 4. Vice Chairman. The Vice-Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman and shall perform such other duties as the Board of Directors shall prescribe.

NOTE: One Board Member suggested changing "Chairman" to "Chairperson." Further discussion to ensue when requesting Board Member is present.

or chair

Article V

Ancillary Positions

Section 5 1. Secretary/Custodian of Records. The Secretary shall keep minutes of all Board meetings, which shall be open to public inspection three (3) working days after the meeting except as otherwise special specifically provided by law. The Secretary shall attend to the giving and service of all notices of the District. The Secretary shall attest all contracts authorized by the Board of Directors and shall perform the specific Board-related secretarial duties usually pertaining to the office of Secretary and have such other duties and powers as may be assigned from time to time by the Board of Directors. The Secretary may be does not have to be a member of the Board of Directors. However, the Board may appoint a Secretary who shall not be a member of the Board but may be paid a salary fixed by the Board.

X.1

Section 6 2. Treasurer. The Treasurer of Mohave County shall, by virtue of that office, be the Treasurer of the District, and non-voting member of the Board. The Treasurer shall keep all monies of the District in a separate fund, or upon direction of the Directors, in more than one separate fund, as provided by statute, and shall pay from such fund or funds on warrants drawn on the fund or

funds. All monies collected on behalf of the District shall be remitted promptly to the Mohave County Treasurer for the account of the District.

Article VI

General Provisions

Section 1. Conflict of Interest. The Board of Directors, officers and employees of the District shall be subject to the Arizona Conflict of Interest Statutes, A.R.S. §~~38-431~~ 38-501, et. seq.

No contract or other transactions between the District and its directors or officers or any other corporation, firm, association or entity in which its directors or officers are members, trustees or officers or are financially interested in either void or voidable because of the relationship or interest or because the director or officer is present at the meeting of the Board of Directors, which authorizes, approves or ratifies such contract or transaction or because his or her votes are counted for such purpose, if any of the following apply:

- (a) The fact of such relationship or interest is disclosed or known to the Board of Directors which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of those interested Directors.
- (b) The fact of such relationship is disclosed or known to the members entitled to vote on the matter, and they authorize, approve or ratify the contract or transaction by vote or written consent.
- (c) The contract or transaction is fair and reasonable to the corporation at the time the contract or transaction is authorized, approved or ratified in the light of circumstances known to those entitled to vote on the matter at that time.
- (d) Interested directors or officers may be counted in determining the presence of a quorum at a meeting of the Board of Directors, or a committee of directors or members, which authorized, approved or ratified the contract or transaction.

Section 2. Books and Records. The District shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors. Books and records and minutes shall be in written form or in any other form capable of being converted into written form within ~~a reasonable time~~ five (5) business days.

Section 3. ~~Annual Budget~~ Report. Not later than July ~~15~~ 10 of each year the Board of Directors shall furnish to the Mohave County Board of Supervisors a report of the operation of the District for the past year, together with an estimate in writing of the amount of money needed to be raised by taxation for all purposes required or authorized by law during the next fiscal year.

Section 4. Annual Report. The secretary or other officer of the District Board shall submit an annual report within two hundred forty days (240) of the close of the District's fiscal year to the clerk of the Board of Supervisors in which the District is located.

NEW NOTE: IN SECTION 3, THERE ARE DELETIONS AND ADDITIONS.

In addition, the Board of Directors shall cause to be timely filed with required officials such annual reports, budgets and audits as are required by state statute.

Section 4.5 Warrants, Contracts and Instruments. All warrants, contracts and instruments involving the payment of money, by or creating any obligation binding upon the District shall be signed by at least two members of the Board.

Section 5.6 Bonds. Bonds may be issued by the District to provide for the carrying out of any of the powers or purposes granted the District by law. The District shall not incur a bonded indebtedness exceeding ten percent of the assessed value of all taxable property in the District as shown by the latest assessment roll of Mohave County.

NEW NOTE: NUMBERING CHANGES TO SECTIONS.

Section 7. Code of Conduct. ~~Board members are expected to exercise the duties and responsibilities of their positions with integrity, collegiality, and professionalism. This includes, but not limited to:~~

- (a) Making attendance at all meetings of the Board a high priority.
- (b) Being prepared to discuss the issues and business on the agenda and having read all background material relevant to the topics at hand.
- (c) Cooperating with and respecting the opinions of fellow Board members, guests, public attendees and leaving Personal prejudices out of all Board discussions, as well as respecting actions of the Board even when the Board member personally does not support the action(s) taken.
- (d) Putting the interests of the Board above personal interests.
- (e) Representing the Board in a positive, supportive, and respectful manner at all times and in all places and/or situations.
- (f) Showing respectful and courteous conduct at all Board and committee meetings.

All members of the Board have a right to speak to the general membership during a meeting, however, this is only after being recognized by the Chairman.

Disruptive Behavior by any member of the Board is unacceptable.

Behavior that is considered disruptive is any and all behavior that disrupts the normal flow of a meeting in a negative manner, to include but not limited to:

- (a) Shouting or speaking without prior recognition by the Chairman.
- (b) Rude or obnoxious sounds, gestures, or language.
- (c) Inappropriate touching or shoving any Board member, public attendee, or guest.

Article ~~4~~ VIIIndemnification

Section 1. Indemnification in Actions by Third Parties. The District shall indemnify and hold harmless any director, officer, or employee of the District who was or is a party or is threatened to be made a party to any claims, cause of action, suit or proceeding, other than an action by or in the right of the District, by reason of the fact that he or she is or was a director, officer, or employee of the District. This indemnification applies to all costs including attorney's fees, and judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding. No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for willful and wanton or gross negligence or misconduct in the performance of his or her duty to the District, unless and only to the extent that the court in which such action or suit was brought shall determine that such person is fairly and reasonably entitled to indemnity. The court in which any such action or suit is brought may determine that, in view of all circumstances of the case, indemnity for the amounts so paid in settlement is proper and may order indemnity for amounts so paid in settlement and for the expenses, including attorney's fees, actually and reasonably paid in connection with such application.

Section 2. Indemnification Against Expenses. To the extent that a director, officer, or employee of the District has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of Article ~~VI~~ VII of these bylaws, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses, including costs, and attorney's fees, incurred by him or her in connection therewith.

Section 3. Required Determination. Any indemnification under Section 1 or 2 of Article ~~4~~ VII of these bylaws, unless ordered by a court, shall be made by the District only as authorized in the specific case upon a determination that indemnification of a director, officer or employee is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 1 and 2 of Article ~~4~~ VII of these bylaws. Such determination shall be made by any of the following:

- (a) By the Board of Directors by a majority vote of a quorum consisting of directors who were parties to the action, suit or proceeding.
- (b) If such a quorum is not obtainable, then in a written opinion of independent legal counsel appointed by a majority of the disinterested directors for that purpose.
- (c) If there are no disinterested directors, by the court or other body before which the action, suit or proceeding was brought or any court of competent jurisdiction upon the approval of an application by any person seeking indemnification, in which case indemnification may include the expenses, including costs and attorney's fees, paid in connection with such application.

Code of Conduct

All board members and employees of the Hospital District One of Mohave County act with honesty, integrity and transparency in all their dealings with each other and as representatives of the organization. The organization promotes a working environment that values respect, fairness, integrity and collaboration.

1. Making attendance at all meetings of the Board a high priority
2. Being prepared to discuss the issues and business on the agenda and having read all background material relevant to the topics at hand.
3. If you are unable to attend a Board meeting you must notify the Chairman prior to the meeting.
4. All Board Members and employees are required to read the Arizona Open Meeting Laws, Attorney General's Chapter 7, and A.R.S. Title 48-1901 thru 48-1919.
5. You must set up a ~~separate email~~ account for all Board communications per Attorney.
6. The Board is a Nonpartisan Board so you cannot wear Political clothing or display any political images at Board meetings.
7. Cooperating with and respecting the opinions of fellow Board members, guests, public attendees and leaving personal prejudices out of all Board discussions, as well as respecting actions of the Board even when the Board member personally does not support the action(s) taken.
8. Putting the interest of the Board above personal interests.
9. Representing the Board in a positive, supportive, and respectful manner at all times and in all places and/or situations.
10. Showing respectful and courteous conduct at all Board and committee meetings.

All members of the Board have a right to speak to the general membership during a meeting, however, this is only after being recognized by the Chairman.

Behavior that is considered disruptive is any and all behavior that disrupts the normal flow of a meeting in a negative manner, to include but not limited to:

1. Shouting or speaking without prior recognition by the Chairman.
2. Rude or obnoxious sounds, gestures, or language.
3. Inappropriate touching or shoving any Board member, public attendee, or guest.

Consequences for Violating any of the above items:

1. Board members assume fiduciary duties. This means that directors have an ethical and legal responsibility to put the organization's interests above their own, and exercise care, skill, and diligence in their role as a board member. The failure of directors to consistently attend board and committee meetings can lead to this breach of duty. An absent member simply cannot perform their mandated duties. Therefore, missing three meetings a year will constitute a vacancy on the board.

2. All other violations will constitute a verbal warning for the first offense, a notice of warning or written warning for second offense and if the behavior continues, the Board will vote to remove that director or employee.
3. Each Board member and employee will be required to sign: Code of Conduct, Conflict of interest and the Mohave County Loyalty Oath. Anyone who fails to sign any of these forms will constitute a vacancy on the board or in that position.

1
2
3

(d) By the registered voters of the District.

Section 4. Advance of Expenses. Expenses, including attorney's fees, incurred in defending a civil or criminal action, suit or proceeding may be paid by the District in advance of the final disposition of the action, suit or proceeding as authorized in the manner provided in Section 2 of Article ~~VI~~ VII of these bylaws.

Section 5. Other Indemnification. The intent of these bylaws is to provide the maximum indemnification to an officer and director or employee of the District as is possible. The indemnification provided in Article ~~VI~~ VII of these bylaws is not exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors, and administrators of such person. It is not the intent of these bylaws to limit the scope or applicability of the provisions of A. R. S. §48-187, which provides immunity from civil liability to a person who serves on the governing body of this District.

Section 6. Insurance. The District shall have power to purchase and maintain insurance on behalf of any person who is or was director, officer or employee of the District against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under Article ~~VI~~ VII of these bylaws.

NOTE: Ask attorney if wording can be less legalese and more simplified English.

Article ~~VII~~ VIII

Dissolution

The District may be dissolved by the majority vote of all district taxpaying electors voting on the question of dissolution at a special election called to vote on the question. The election shall be called by the Mohave County Board of Supervisors upon application of the Board of Directors of the District or upon the filing of a person signed by twenty-five percent of the electors of the District. If a district is dissolved, all property, buildings, equipment, and other items owned by the district shall thereupon become the property of Mohave County.

Article ~~VIII~~ IX

[Gift Policy](#)

No elected [and/or appointed](#) member of the District Board shall accept any gift or remuneration of any type, from any party, other than meals served as part of their official duties or logo marketing items from Kingman Regional Medical Center. Nothing herein, however, shall preclude Board members from attending parties, picnics or similar occasions sponsored by Kingman Regional Medical Center or its employees, in recognition of the importance of a close and congenial working relationship between [the Board of Kingman Healthcare, Inc.](#) Kingman Regional Medical Center.

Article X

Amendment

These bylaws may be altered, amended, or repealed by an affirmative vote of three-fifths (3/5) of the Directors then in office, as long as any such amendment would conform to the laws of the State of Arizona.
Review and/or revision of these bylaws shall occur biennially.

Section 4. Executive Sessions. An executive session of the Board of Directors may be held pursuant to the provisions of A.R.S. §38-431.03 and upon a majority vote of the members consisting of a quorum for the purpose set forth therein.

Notification of Warning

Violation?

Date of Corrective Action: _____

Date Voted off the Board: _____


Board Members/Agent/Employees Name: _____

Title: _____

Reason for Corrective Action:

Documentation/Details/Dates:

The following steps need to be taken to correct deficiencies:

Consequences of further behavior/performance:

Board Member/Agent/Employees Comments:

Signature: _____

Date: _____

Chairman Name: _____

Date: _____

Chairman Signature: _____

Signature of Board Member, Agent and/or employee signifies that the warning has been read and does not necessarily indicate agreement with its contents. Comments may be continued on the reverse side or on an additional piece of paper.

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
3269 Stockton Hill Road
Kingman, Arizona 86409
Special Bylaws Minutes July 22, 2025

The Governing Board of Hospital District Number One of Mohave County met in Special Session on July 22, 2025, at 12:45 p.m. The Bylaws meeting was held at the Kingman Regional Medical Center Board Room, 3269 Stockton Hill Road, Kingman, Arizona. The following topics were discussed.

I. CALL TO ORDER

Meeting called to order by Vice Chair Tacheron at 12:46p.m.

II. ROLL CALL OF THE HOSPITAL DISTRICT BOARD MEMBERS

The following Board Members were in attendance:

Mr. Dave French Present
Ms. Katie Tacheron Present
Ms. Carol Newmyer Present

Also in attendance via Teams is the District Board Attorney, Mr. Tom Price.

Members of the Community in attendance include Teresa Boegler, Logan Marsh, and Jacob Marsh. All guests introduced themselves.

III. CONSIDERATION AND APPROVAL OF MINUTES

A. None

IV. NEW BUSINESS

A. Reviewed Hospital District Number One of Mohave County Bylaws and make recommendations for modification to Hospital District Number One Mohave County Full Board:

1. Motion made by Mr. French to include lawyer, second by Ms. Tacheron. All three members in favor.
2. Discussion held regarding statutes 1901 vs 1907. Mr. Price explained the purpose of each. Motion made by Ms. Newmyer to keep 1907 as in current version, second by Mr. French. All members in favor.
3. Previous section 1. Powers, reviewed with suggested changes. After discussion and explanation from Mr. Price, the decision was made to not add draft language. Mr. French motioned to add language to the end of paragraph 2 to say, "and honors the lease." Ms. Newmyer seconded. All members in favor.
4. Section 3. Ms. Tacheron motioned to strike out, "or until a successor has been qualified." Motion seconded by Mr. French. All members in favor.

5. Section 3. #2. Ms. Tacheron motioned to add language, "In the event there is a vacancy," after the word "Appointed." Second by Mr. French. All members in favor.
6. Section 4. Vacancies. Motion made by Mr. French to strike language that says must be, "advertised to the public via newspaper(s)," and modify language from "Hospital District webpage" to "Hospital District website."
7. Mr. Price gave opinion on each elected body via the election process. Must remove via statutes, even if not doing their job. Other recourse but the Board does not have authority to remove a member. A question was asked by Ms. Newmyer if there is a statute. Mr. Price confirmed that there is. If convicted of a felony or absent 3 months there is a statute about withholding pay. District Board Members are not paid so this does not apply to this situation. To remove a person, there must be a recall election.
8. Article II. Section 3. Add, "and on the District website." Ms. Tacheron made a motion to add. Second by Ms. Newmyer. All members in favor.
9. Section 6. Mr. Price will draft the language to match the relevant statute.
10. Article IV. Section 1.
 - a. Add language after the biennial election of the Directors, "which shall occur at the first meeting of the new year." Ms. Tacheron motioned. Mr. French seconded and all members were in favor.
 - b. The group decided to use the draft language provided by the previous District Board attorney at the top of page 4.
11. Section 2. Removal. Remove agents and employees. Motion Ms. Tacheron, second Ms. Newmyer. All in favor.
12. Section 3. Chairman. Add the following to the beginning. "The chairman may consult legal counsel.chris"
13. Discussion was held regarding Board members meeting outside of the larger Board and Ms. Newmyer asked what the recourse was if the Chairman is doing something against open meeting law. She asked who can that person go to. The recommendation by Mr. Price was that the concern regarding potential violations should be placed on the agenda and discussed in the next District Board meeting. He also reminded the group that two members and the attorney constituted a quorum.

Mr. Price left the meeting at 1:24 p.m.

14. Discussion was held regarding the handling of activity that was the concern by other members. Ms. Newmyer further stated that in the past it was problematic that the Board was not able to discuss items unless it was on the agenda. Ms. Tacheron asked Ms. Newmyer to draft thoughts on this language for future discussion and consideration.
15. Article V Ancillary Positions was added/moved. Language was added after shall perform, "specific Board related secretarial duties"and powers.... Duties were added to include secretary is the custodian of all District related emails. Ms. Tacheron motioned; DF seconded. All members in favor.
16. Article VI. Section 2. Board chair will check with Mr. Price regarding scope of Mohave County Treasurer.

17. The previous board had considered adding a Code of Conduct section. Discussion was held. Ms. Newmyer motioned not to add the section. Second by Mr. French. All members in favor.

V. OLD BUSINESS

- A. None

VI. ADJOURNMENT

The meeting was adjourned at 2:02 p.m.

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the attached notice will be duly sent to the Mohave County Board of Supervisors no later than July 21, 2025, 12:45 p.m. posting on their public information board. Also, notice will be posted at 3269 Stockton Hill Road (Main Entrance to KRM) in Kingman, Arizona no later than July 21, 2025, 12:45pm in accordance with the statement filed by the Hospital District Number One of Mohave County.

Dated this July 21, 2025

Posted by Cheryl Porter
Cheryl Porter on behalf of:

David French
Vice Chair Hospital District Number One of Mohave County

Katie Tacheron
Bylaws Chair Hospital District Number One of Mohave County

Proposed changes to the Hospital District Number One of Mohave County Board Bylaws (by Tom Price):

Article III

Section 6. Quorum. The majority of the sitting Board of Directors shall constitute a quorum.

In regards to setting agenda items, Mohave County Rules of Order, https://www.mohave.gov/media/lcihllqj/rules-of-order_adopted-03032025_final.pdf might be a helpful resource. These are the rules that govern the Mohave County Board of Supervisors.

Specifically, the pertinent paragraphs that address the form and content of proposed agenda items is as follows:

All meetings shall be conducted with an Agenda, properly noticed as required by the Arizona Open Meeting Laws. The Agenda shall list the specific matters to be discussed, considered or decided at the meeting. The public body may discuss, consider or make decisions only on matters listed on the Agenda and other matters related thereto. The procedure submitting items for the Agenda shall be as follows: 1) Except as outlined herein, only elected officials and county employees (through their department supervisors) may submit items for consideration on the Board's Agenda. All items, regular and consent, to be included on the agenda at regular board meeting, shall be filed in the Clerk of the Board of Supervisors office at least ten (10) days prior to the meeting. Items submitted after the ten (10) day deadline may be rejected for addition to the upcoming Agenda in the sole discretion of the Chairperson. Citizens wishing to submit Agenda requests must submit them through their respective Board members. Board members have the sole discretion whether to submit or deny submission of a citizen's agenda request. 2) For special meetings, only elected officials and county employees (through their department supervisors) may submit items for consideration on the Board's agenda, and such items shall be submitted no later than forty-eight (48) hours prior to the special meeting.

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY**BYLAWS – Version 1 – Cheryl's Bylaw Meeting Minute Changes****BYLAWS OF****HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY****Article I****The District**

The District was established by an Order of the Board of Supervisors of Mohave County, Arizona, December 20, 1982. The District was established in accordance with the provisions of Arizona Revised Statutes 48-1907.

Article II**Directors**

Section 1. Powers. The management and control of the District is vested in the Board of Directors. The Board shall serve without compensation except that the members may receive reimbursement for the necessary and actual expenses incurred while on District business as approved by the Board, and a statutory per diem when away from the District on business of the District. The Board may employ personnel necessary to conduct affairs of the District.

The Board of Directors may purchase real property, and erect or rent and equip buildings or rooms necessary for the hospital. The Board of Directors shall lease the hospital as provided per statute 48-1907 provided that, when any bonded indebtedness of the District has been paid, the Board of Directors may lease the hospital and its equipment to any person or corporation for the purpose of conducting a health care facility upon such terms and conditions as the Board of Directors of the District deems to be beneficial to the District **and honors the lease.**

Section 2. Number and Qualifications. The number of directors shall be five. Each director must be a qualified elector (Arizona Code Title 16 Article 1) and a resident real property owner within the District prior to assuming the office; and, must not be an

elected or appointed state, county or city official. All Board Members are required to have a clear understanding and knowledge of the Arizona Open Meeting Laws, Attorney General's Chapter 7, and A.R.S. Title 48-1901 to 48-1919.

Section 3. Term and Election.

- a. Term. Directors shall serve a four-year term beginning on the first day of the month immediately following declaration of election to office. **Removed “or until a successor has been qualified.”**
- b. Biennial Elections. Biennial elections and/or appointments of the Board of Directors shall be as follows:
 1. Elected, Board of Director elections shall occur during the general election cycle in even numbered years.
 2. Appointed, **In the event there is a vacancy**, the current Board of Directors shall appoint a qualified successor, as defined in these bylaws Article II Section 2, and shall serve the remaining term of the vacancy they are fulfilling.

If only one person files a nominating petition for an election to fill a position on the Board for which the term of office is to expire, the Board may cancel the election for that position and appoint the person who filed a nominating petition to fill the position.

Section 4. Vacancies. If at any time, by reason of death or resignation or failing to possess the qualifications of a director or other cause, there shall be a vacancy on the Board, a majority of the remaining directors may appoint a qualified person to fill the vacancy for the balance of the term. The individual(s) to be considered for the appointed position(s) on the Board must submit a letter of intent to the current Board of Directors. **The vacant position(s) must be advertised on the Hospital District website.**

Article III

Meetings

Section 1. Place of Meetings. Meetings of the Board of Directors shall be held at such places within the District as may be designated from time to time by the Board of Directors.

Section 2. Open Meeting. The Board of Directors is a public body subject to the provisions of the Arizona Open Meeting laws A.R.S. §38-431, et. seq. All official meetings at which any legal action is taken by the Board shall be public meetings, and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings.

Section 3. Notice of Meetings. The Board of Directors shall give public notice of all regular meetings by annually filing with the Clerk of the Board of Supervisors of Mohave County a statement stating where all notices of its meetings will be posted and shall give such additional public notice as is reasonable and practicable as to the time and place of all public meetings. These notices shall be posted within the boundaries of the District and **on the District's website.**

Section 4. Executive Sessions. An executive session of the Board of Directors may be held pursuant to the provisions of A.R.S. §38-431.03 and upon a majority vote of the members consisting of a quorum for the purpose set forth therein.

No executive session may be held for the purpose of taking any legal action involving a final vote or decision.

Minutes of executive sessions shall be kept confidential except from members of the Board of Directors or employees who are the subject of discussion or consideration at the session or as otherwise provided by law.

If an executive session is to be held, any notice of that meeting shall be given to the members of the Board and to the general public stating the specific provision of law authorizing such a session.

Section 5. Special Meetings. Meetings other than regularly scheduled meetings shall not be held without at least twenty-four hours' notice to the members of the governing body and the general public. In case of an actual emergency, a meeting may be held upon such notice as is appropriate to the circumstances.

Section 6. Quorum. Three members of the Board of Directors shall constitute a quorum for the transaction of business.

Section 7. Waiver of Notice. Attendance of a Director at any meeting shall constitute a waiver of notice of that meeting, except when the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director can waive notice of a meeting by signing a written waiver or consent. All such waivers or consents shall be filed with the District records.

Article IV

Officers

Section 1. Officers. The officers of the District shall consist of a Chairman and a Vice-Chairman, who shall each serve in such a capacity for 2 years. Not later than sixty (60) days at the end of each officer's 2-year term, **which shall occur at the first meeting of the new year**, the Board shall meet and elect, from its membership, a chairman and vice chairman.

Section 2. Removal. All officers **(Removed "agents and employees")** of Hospital District Number One of Mohave County are at will, subject to removal at any time by the affirmative vote of a majority of the Board of Directors.

Section 3. Chairman. **The Chairman may consult legal counsel.** The Chairman shall preside at all meetings for the directors. He or she may sign and execute all authorized contracts, agreements, documents legal consultation or other instruments or applications in the name of the District. Subject to the direction of the Board of Directors, he or she shall have general charge of the business and affairs of the District. The Chairman shall do and perform such other duties and have such other power as from time to time may be assigned by the Board of Directors.

Section 4. Vice-Chairman. The Vice-Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman and shall perform such other duties as the Board of Directors shall prescribe.

Article V

Ancillary Positions

Section 1. Secretary/Custodian of Records. The Secretary shall keep minutes of all Board meetings, which shall be open to public inspection three (3) working days after the meeting except as otherwise specifically provided by law. The Secretary shall attend to the giving and service of all notices of the District. The Secretary shall attest all contracts authorized by the Board of Directors and shall perform **specific Board-related secretarial duties and powers** as may be assigned from time to time by the Board of Directors. The Secretary may be a member of the Board of Directors. However, the Board may appoint a Secretary who shall not be a member of the board but may be paid a salary fixed by the board. **The Secretary is the custodian of all District related emails.**

Section 2. Treasurer. The treasurer of Mohave County shall, by virtue of that office, be the treasurer of the District and a non-voting member of the Board. The Treasurer shall keep all monies of the District in a separate fund, or upon direction of the Directors, in more than one separate fund, as provided by statute, and shall pay from such fund or funds on warrants drawn on the fund or funds. All monies collected on behalf of the District shall be remitted promptly to the Mohave County Treasurer for the account of the District.

Article VI

General Provisions

Section 1. Conflict of Interest. The Board of Directors, officers and employees of the District shall be subject to the Arizona Conflict of Interest Statutes, A.R.S. §38-501, et seq.

No contract or other transactions between the District and its directors or officers or any other corporation, firm, association or entity in which its directors or officers are members, trustees or officers or are financially interested is either void or avoidable because of the relationship or interest or because the director or officer is present at the meeting of the Board of Directors which authorizes, approves or ratifies such contract or transaction or because his or her votes are counted for such purpose, if any of the following apply:

- (a) The fact of such relationship or interest is disclosed or known to the Board of Directors which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of those interested Directors.
- (b) The fact of such relationship is disclosed or known to the members entitled to vote on the matter, and they authorize, approve or ratify the contract or transaction by vote or written consent.
- (c) The contract or transaction is fair and reasonable to the corporation at the time the contract or transaction is authorized, approved or ratified in the light of circumstances known to those entitled to vote on the matter at that time.
- (d) Interested directors or officers may be counted in determining the presence of a quorum at a meeting of the Board of Directors, or a committee of directors or members, which authorized, approved or ratified the contract or transaction.

Section 2. Books and Records. The District shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors. Books, records and minutes shall be in written form or in any other form capable of being converted into written form within five (5) business days.

Section 3. Budget Report. Not later than July 10 of each year the Board of Directors shall furnish to the Mohave County Board of Supervisors a report of the operation of the District for the past year, together with an estimate in writing of the amount of money needed to be raised by taxation for all purposes required or authorized by law during the next fiscal year.

Section 4. Annual Report. The secretary or other officer of the District Board shall submit an annual report within two hundred forty days (240) of the close of the District's fiscal year to the clerk of the Board of Supervisors in which the District is located.

In addition, the Board of Directors shall cause to be timely filed with required officials such annual reports, budgets and audits as are required by state statute.

Section 5. Warrants, Contracts and Instruments. All warrants, contracts and instruments involving the payment of money, by or creating any obligation binding upon the District shall be signed by at least two members of the Board.

Section 6. Bonds. Bonds may be issued by the District to provide for the carrying out of any of the powers or purposes granted the District by law. The District shall not incur a bonded indebtedness exceeding ten percent of the assessed value of all taxable property in the District as shown by the latest assessment roll of Mohave County.

Article VII

Indemnification

Section 1. Indemnification in Actions by Third Parties. The District shall indemnify and hold harmless any director, officer, or employee of the District who was or is a party or is threatened to be made a party to any claims, cause of action, suit or proceeding, other than an action by or in the right of the District, by reason of the fact that he or she is or was a director, officer or employee of the District. This indemnification applies to all costs including attorneys' fees, and judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding. No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for willful and wanton or gross negligence or misconduct in the performance of his or her duty to the District, unless and only to the extent that the court in which such action or suit was brought shall determine that such person is fairly and reasonably entitled to indemnity. The court in which any such action or suit was brought may determine that, in view of all circumstances of the case, indemnity for the amounts so paid in settlement is proper and may order indemnity for amounts so paid in settlement and for the expenses, including attorneys' fees, actually and reasonably paid in connection with such application.

Section 2. Indemnification Against Expenses. To the extent that a director, officer or employee of the District has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of Article VI of these bylaws, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses, including costs, and attorneys' fees, incurred by him or her in connection therewith.

Section 3. Required Determinations. Any indemnification under Section 1 or 2 of Article VII of these bylaws, unless ordered by a court, shall be made by the District only as authorized in the specific case upon a determination that indemnification of a director, officer or employee is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 1 and 2 of Article VII of these bylaws. Such determination shall be made by any of the following:

- (a) By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding.
- (b) If such quorum is not obtainable, then in a written opinion of independent legal counsel appointed by a majority of the disinterested directors for that purpose.
- (c) If there are no disinterested directors, by the court or other body before which the action, suit or proceeding was brought or any court of competent jurisdiction upon the approval of an application by any person seeking indemnification, in which case indemnification may include the expenses, including costs and attorneys' fees, paid in connection with such application.
- (d) By the registered voters of the District.

Section 4. Advance of Expenses. Expenses, including attorneys' fees, incurred in defending a civil or criminal action, suit or proceeding may be paid by the District in advance of the final disposition of the action, suit or proceeding as authorized in the manner provided in Section 3 of Article VII of these bylaws.

Section 5. Other Indemnification. The intent of these bylaws is to provide the maximum indemnification to an officer and director or employee of the District as is possible. The indemnification provided in Article VII of these bylaws is not exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of

members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors, and administrators of such person. It is not the intent of these bylaws to limit the scope or applicability of the provisions of ARS 48-187, which provides immunity from civil liability to a person who, serves on the governing body of this District.

Section 6. Insurance. The District shall have power to purchase and maintain insurance on behalf of any person who is or was director, officer or employee of the District against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under Article VII of these bylaws.

Article VIII

Dissolution

The District may be dissolved by the majority vote of all district taxpaying electors voting on the question of dissolution at a special election called to vote on the question. The election shall be called by the Mohave County Board of Supervisors upon application of the Board of Directors of the District or upon the filing of a petition signed by twenty-five percent of the electors of the District. If a district is dissolved, all property, buildings, equipment and other items owned by the district shall thereupon become the property of Mohave County.

Article IX

Gift Policy

No elected and/or appointed member of the District Board shall accept any gift or remuneration of any type, from any party, other than meals served as part of their official duties or logo marketing items from Kingman Regional Medical Center. Nothing herein, however, shall preclude Board members from attending parties, picnics or similar occasions sponsored by Kingman Regional Medical Center or its employees, in

recognition of the importance of a close and congenial working relationship between Kingman Healthcare, Inc/Kingman Regional Medical Center.

Article X

Amendment

These bylaws may be altered, amended or repealed by an affirmative vote of three-fifths (3/5) of the Directors then in office, as long as any such amendment would conform to the laws of the State of Arizona. Review and/or revision of these bylaws shall occur biennially.

Notification of Warning

Date of Corrective Action: _____

Date Voted off the Board: _____

Board Members/Agent/Employees Name: _____

Title: _____

Reason for Corrective Action:

Documentation/Details/Dates:

The following steps need to be taken to correct deficiencies:

Consequences of further behavior/performance:

Board Member/Agent/Employees Comments:

Signature: _____ Date: _____

Chairman Name: _____ Date: _____

Chairman Signature: _____

Signature of Board Member, Agent and/or employee signifies that the warning has been read and does not necessarily indicate agreement with its contents. Comments may be continued on the reverse side of on an additional piece of paper.

CERTIFICATE OF SECRETARY REGARDING BYLAWS

The undersigned hereby certifies that he or she is the duly appointed and acting secretary of Hospital District Number One of Mohave, and that the foregoing bylaws, consisting of eight (8) pages (exclusive of cover sheet, table of contents and this certification) were duly reviewed as of January 23, 2026 and that they constitute the bylaws of said District in effect as of this date.

Dated this _____ day of _____, _____.

Secretary Hospital District Number One of Mohave County

Previously reviewed and/revised: July 2012; May, 2011; May, 2008; July 2007, July, 2006, May 3, 2005, March 2, 2004.

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY**BYLAWS – Version 2 – Cheryl’s Bylaw Meeting Minute Changes plus Tom Price’s Recommendations**

BYLAWS OF
HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

Article I

The District

The District was established by an Order of the Board of Supervisors of Mohave County, Arizona, December 20, 1982. The District was established in accordance with the provisions of Arizona Revised Statutes 48-1907.

Article II

Directors

Section 1. Powers. The management and control of the District is vested in the Board of Directors. The Board shall serve without compensation except that the members may receive reimbursement for the necessary and actual expenses incurred while on District business as approved by the Board, and a statutory per diem when away from the District on business of the District. The Board may employ personnel necessary to conduct affairs of the District.

The Board of Directors may purchase real property, and erect or rent and equip buildings or rooms necessary for the hospital. The Board of Directors shall lease the hospital as provided per statute 48-1907 provided that, when any bonded indebtedness of the District has been paid, the Board of Directors may lease the hospital and its equipment to any person or corporation for the purpose of conducting a health care facility upon such terms and conditions as the Board of Directors of the District deems to be beneficial to the District and honors the lease.

Section 2. Number and Qualifications. The number of directors shall be five. Each director must be a qualified elector (Arizona Code Title 16 Article 1) and a resident real

property owner within the District prior to assuming the office; and, must not be an elected or appointed state, county or city official. All Board Members are required to have a clear understanding and knowledge of the Arizona Open Meeting Laws, Attorney General's Chapter 7, and A.R.S. Title 48-1901 to 48-1919.

Section 3. Term and Election.

- a. Term. Directors shall serve a four-year term beginning on the first day of the month immediately following declaration of election to office. Removed "or until a successor has been qualified."
- b. Biennial Elections. Biennial elections and/or appointments of the Board of Directors shall be as follows:
 1. Elected, Board of Director elections shall occur during the general election cycle in even numbered years.
 2. Appointed, In the event there is a vacancy, the current Board of Directors shall appoint a qualified successor, as defined in these bylaws Article II Section 2, and shall serve the remaining term of the vacancy they are fulfilling.

If only one person files a nominating petition for an election to fill a position on the Board for which the term of office is to expire, the Board may cancel the election for that position and appoint the person who filed a nominating petition to fill the position.

Section 4. Vacancies. If at any time, by reason of death or resignation or failing to possess the qualifications of a director or other cause, there shall be a vacancy on the Board, a majority of the remaining directors may appoint a qualified person to fill the vacancy for the balance of the term. The individual(s) to be considered for the appointed position(s) on the Board must submit a letter of intent to the current Board of Directors. The vacant position(s) must be advertised on the Hospital District website.

Article III

Meetings

Section 1. Place of Meetings. Meetings of the Board of Directors shall be held at such places within the District as may be designated from time to time by the Board of Directors.

Section 2. Open Meeting. The Board of Directors is a public body subject to the provisions of the Arizona Open Meeting laws A.R.S. §38-431, et. seq. All official meetings at which any legal action is taken by the Board shall be public meetings, and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings.

Section 3. Notice of Meetings. The Board of Directors shall give public notice of all regular meetings by annually filing with the Clerk of the Board of Supervisors of Mohave County a statement stating where all notices of its meetings will be posted and shall give such additional public notice as is reasonable and practicable as to the time and place of all public meetings. These notices shall be posted within the boundaries of the District and on the District's website.

Section 4. Executive Sessions. An executive session of the Board of Directors may be held pursuant to the provisions of A.R.S. §38-431.03 and upon a majority vote of the members consisting of a quorum for the purpose set forth therein.

No executive session may be held for the purpose of taking any legal action involving a final vote or decision.

Minutes of executive sessions shall be kept confidential except from members of the Board of Directors or employees who are the subject of discussion or consideration at the session or as otherwise provided by law.

If an executive session is to be held, any notice of that meeting shall be given to the members of the Board and to the general public stating the specific provision of law authorizing such a session.

Section 5. Special Meetings. Meetings other than regularly scheduled meetings shall not be held without at least twenty-four hours' notice to the members of the governing body and the general public. In case of an actual emergency, a meeting may be held upon such notice as is appropriate to the circumstances.

Section 6. Quorum. A majority of the sitting Board of Directors shall constitute a quorum for the transaction of business.

Section 7. Waiver of Notice. Attendance of a Director at any meeting shall constitute a waiver of notice of that meeting, except when the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director can waive notice of a meeting by signing a written waiver or consent. All such waivers or consents shall be filed with the District records.

Section 8. Agenda Authority Clarification. All meetings shall be conducted with an agenda, properly noticed as required by the Arizona Open Meeting Laws. The agenda shall list the specific matters to be discussed, considered or decided at the meeting. The public body may discuss, consider or make decisions only on matters listed on the agenda and other matters related thereto. The procedure submitting items for the agenda shall be as follows:

1. Except as outlined herein, only elected officials and county employees (through their department supervisors) may submit items for consideration on the Board's agenda. All items, regular and consent, to be included on the agenda at regular board meeting, shall be filed in the Clerk of the Board of Supervisors office at least ten (10) days prior to the meeting. Items submitted after the ten (10) day deadline may be rejected for addition to the upcoming agenda in the sole discretion of the Chairperson. Citizens wishing to submit agenda requests must submit them through their respective Board members. Board members have the sole discretion whether to submit or deny submission of a citizen's agenda request.
2. For special meetings, only elected officials and county employees (through their department supervisors) may submit items for consideration on the Board's agenda, and such items shall be submitted no later than forty-eight (48) hours prior to the special meeting.

Article IVOfficers

Section 1. Officers. The officers of the District shall consist of a Chairman and a Vice-Chairman, who shall each serve in such a capacity for 2 years. Not later than sixty (60) days at the end of each officer's 2-year term, which shall occur at the first meeting of the new year, the Board shall meet and elect, from its membership, a chairman and vice chairman.

Section 2. Removal. All officers (Removed "agents and employees") of Hospital District Number One of Mohave County are at will, subject to removal at any time by the affirmative vote of a majority of the Board of Directors.

Section 3. Chairman. The Chairman may consult legal counsel. The Chairman shall preside at all meetings for the directors. He or she may sign and execute all authorized contracts, agreements, documents legal consultation or other instruments or applications in the name of the District. Subject to the direction of the Board of Directors, he or she shall have general charge of the business and affairs of the District. The Chairman shall do and perform such other duties and have such other power as from time to time may be assigned by the Board of Directors.

Section 4. Vice-Chairman. The Vice-Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman and shall perform such other duties as the Board of Directors shall prescribe.

Article VAncillary Positions

Section 1. Secretary/Custodian of Records. The Secretary shall keep minutes of all Board meetings, which shall be open to public inspection three (3) working days after the meeting except as otherwise specifically provided by law. The Secretary shall attend to the giving and service of all notices of the District. The Secretary shall attest all contracts authorized by the Board of Directors and shall perform specific Board-related secretarial

duties and powers as may be assigned from time to time by the Board of Directors. The Secretary may be a member of the Board of Directors. However, the Board may appoint a Secretary who shall not be a member of the board but may be paid a salary fixed by the board. The Secretary is the custodian of all District related emails.

Section 2. Treasurer. The treasurer of Mohave County shall, by virtue of that office, be the treasurer of the District and a non-voting member of the Board. The Treasurer shall keep all monies of the District in a separate fund, or upon direction of the Directors, in more than one separate fund, as provided by statute, and shall pay from such fund or funds on warrants drawn on the fund or funds. All monies collected on behalf of the District shall be remitted promptly to the Mohave County Treasurer for the account of the District.

Article VI

General Provisions

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- (a) The fact of such relationship or interest is disclosed or known to the Board of Directors which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of those interested Directors.

- (b) The fact of such relationship is disclosed or known to the members entitled to vote on the matter, and they authorize, approve or ratify the contract or transaction by vote or written consent.
- (c) The contract or transaction is fair and reasonable to the corporation at the time the contract or transaction is authorized, approved or ratified in the light of circumstances known to those entitled to vote on the matter at that time.
- (d) Interested directors or officers may be counted in determining the presence of a quorum at a meeting of the Board of Directors, or a committee of directors or members, which authorized, approved or ratified the contract or transaction.

Section 2. Books and Records. The District shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors. Books, records and minutes shall be in written form or in any other form capable of being converted into written form within five (5) business days.

Section 3. Budget Report. Not later than July 10 of each year the Board of Directors shall furnish to the Mohave County Board of Supervisors a report of the operation of the District for the past year, together with an estimate in writing of the amount of money needed to be raised by taxation for all purposes required or authorized by law during the next fiscal year.

Section 4. Annual Report. The secretary or other officer of the District Board shall submit an annual report within two hundred forty days (240) of the close of the District's fiscal year to the clerk of the Board of Supervisors in which the District is located.

In addition, the Board of Directors shall cause to be timely filed with required officials such annual reports, budgets and audits as are required by state statute.

Section 5. Warrants, Contracts and Instruments. All warrants, contracts and instruments involving the payment of money, by or creating any obligation binding upon the District shall be signed by at least two members of the Board.

Section 6. Bonds. Bonds may be issued by the District to provide for the carrying out of any of the powers or purposes granted the District by law. The District shall not incur a bonded indebtedness exceeding ten percent of the assessed value of all taxable property in the District as shown by the latest assessment roll of Mohave County.

Article VII

Indemnification

Section 1. Indemnification in Actions by Third Parties. The District shall indemnify and hold harmless any director, officer, or employee of the District who was or is a party or is threatened to be made a party to any claims, cause of action, suit or proceeding, other than an action by or in the right of the District, by reason of the fact that he or she is or was a director, officer or employee of the District. This indemnification applies to all costs including attorneys' fees, and judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding. No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for willful and wanton or gross negligence or misconduct in the performance of his or her duty to the District, unless and only to the extent that the court in which such action or suit was brought shall determine that such person is fairly and reasonably entitled to indemnity. The court in which any such action or suit was brought may determine that, in view of all circumstances of the case, indemnity for the amounts so paid in settlement is proper and may order indemnity for amounts so paid in settlement and for the expenses, including attorneys' fees, actually and reasonably paid in connection with such application.

Section 2. Indemnification Against Expenses. To the extent that a director, officer or employee of the District has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of Article VI of these bylaws, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses, including costs, and attorneys' fees, incurred by him or her in connection therewith.

Section 3. Required Determinations. Any indemnification under Section 1 or 2 of Article VII of these bylaws, unless ordered by a court, shall be made by the District only as authorized in the specific case upon a determination that indemnification of a director, officer or employee is proper in the circumstances because he or she has met the

applicable standard of conduct set forth in Sections 1 and 2 of Article VII of these bylaws. Such determination shall be made by any of the following:

- (a) By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding.
- (b) If such quorum is not obtainable, then in a written opinion of independent legal counsel appointed by a majority of the disinterested directors for that purpose.
- (c) If there are no disinterested directors, by the court or other body before which the action, suit or proceeding was brought or any court of competent jurisdiction upon the approval of an application by any person seeking indemnification, in which case indemnification may include the expenses, including costs and attorneys' fees, paid in connection with such application.
- (d) By the registered voters of the District.

Section 4. Advance of Expenses. Expenses, including attorneys' fees, incurred in defending a civil or criminal action, suit or proceeding may be paid by the District in advance of the final disposition of the action, suit or proceeding as authorized in the manner provided in Section 3 of Article VII of these bylaws.

Section 5. Other Indemnification. The intent of these bylaws is to provide the maximum indemnification to an officer and director or employee of the District as is possible. The indemnification provided in Article VII of these bylaws is not exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors, and administrators of such person. It is not the intent of these bylaws to limit the scope or applicability of the provisions of ARS 48-187, which provides immunity from civil liability to a person who, serves on the governing body of this District.

Section 6. Insurance. The District shall have power to purchase and maintain insurance on behalf of any person who is or was director, officer or employee of the District against any liability asserted against him or her and incurred by him or her in any such capacity

or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under Article VII of these bylaws.

Article VIII

Dissolution

The District may be dissolved by the majority vote of all district taxpaying electors voting on the question of dissolution at a special election called to vote on the question. The election shall be called by the Mohave County Board of Supervisors upon application of the Board of Directors of the District or upon the filing of a petition signed by twenty-five percent of the electors of the District. If a district is dissolved, all property, buildings, equipment and other items owned by the district shall thereupon become the property of Mohave County.

Article IX

Gift Policy

No elected and/or appointed member of the District Board shall accept any gift or remuneration of any type, from any party, other than meals served as part of their official duties or logo marketing items from Kingman Regional Medical Center. Nothing herein, however, shall preclude Board members from attending parties, picnics or similar occasions sponsored by Kingman Regional Medical Center or its employees, in recognition of the importance of a close and congenial working relationship between Kingman Healthcare, Inc/Kingman Regional Medical Center.

Article X

Amendment

These bylaws may be altered, amended or repealed by an affirmative vote of three-fifths (3/5) of the Directors then in office, as long as any such amendment would conform to the laws of the State of Arizona. Review and/or revision of these bylaws shall occur biennially.

Notification of Warning

Date of Corrective Action: _____

Date Voted off the Board: _____

Board Members/Agent/Employees Name: _____

Title: _____

Reason for Corrective Action:

Documentation/Details/Dates:

The following steps need to be taken to correct deficiencies:

Consequences of further behavior/performance:

Board Member/Agent/Employees Comments:

Signature: _____ Date: _____

Chairman Name: _____ Date: _____

Chairman Signature: _____

Signature of Board Member, Agent and/or employee signifies that the warning has been read and does not necessarily indicate agreement with its contents. Comments may be continued on the reverse side of on an additional piece of paper.

CERTIFICATE OF SECRETARY REGARDING BYLAWS

The undersigned hereby certifies that he or she is the duly appointed and acting secretary of Hospital District Number One of Mohave, and that the foregoing bylaws, consisting of eight (8) pages (exclusive of cover sheet, table of contents and this certification) were duly reviewed as of January 23, 2026 and that they constitute the bylaws of said District in effect as of this date.

Dated this _____ day of _____, _____.

Secretary Hospital District Number One of Mohave County

Previously reviewed and/revised: July 2012; May, 2011; May, 2008; July 2007, July, 2006, May 3, 2005, March 2, 2004.