

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

3269 Stockton Hill Road

Kingman, Arizona 86409

AGENDA (SEPTEMBER 15, 2026)

The Governing Board of Hospital District Number One of Mohave County (Hospital District Board) will meet in Regular Session on Tuesday, September 15, 2026 at 4:00 p.m. The meeting will be held at the Kingman Regional Medical Center Mohave B Conference Room at 3269 Stockton Hill Road, Kingman, Arizona. The Hospital District 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. The following topics and any variables thereto will be subject to Hospital District 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 Minutes of Regular Hospital District Board Meeting of September 8, 2026. Logan Marsh presenting.

IV. FINANCES

- A. Informational update regarding payment of budgeted legal invoices to Hospital District Board Attorney Thomas Price pursuant to previously authorized Hospital District Board procedures. No action requested. Logan Marsh presenting.
- B. Informational update regarding the final supplemental payment previously authorized by the Hospital District Board and paid within the adopted Hospital District Board budget. No action requested. Logan Marsh presenting.
- C. Discussion and possible action regarding acceptance, accounting treatment, designated purpose, and documentation of a bona fide donation from Kingman Regional Medical Center to the Hospital District Board. Logan Marsh presenting.

V. NEW BUSINESS

- A. Discussion regarding the planned review and revision of the Hospital District Board bylaws. Hospital District Board Attorney Thomas Price and Vice Chair Leanne Smith will work together on a proposed revised set of bylaws to be presented to the full Hospital District Board for review, discussion, and possible adoption at a future meeting. No action requested at this meeting. Leanne Smith presenting.
- B. Discussion regarding development of a comprehensive Hospital District Board Policies and Procedures Manual following completion and Hospital District Board consideration of the revised bylaws. The future manual will be developed to align with the bylaws ultimately adopted by the Hospital District Board and will be presented separately for review and consideration. No action requested at this meeting. Leanne Smith presenting.

VI. NEXT MEETING

VII. CALL TO THE PUBLIC

A. Consideration and discussion of comments from the public.

Those wishing to address the Hospital District Board need not request permission in advance. Each member of the public will be limited to three (3) minutes of speaking time. The Hospital District Board is not permitted to discuss or take action on any item raised in the call to the public. However, individual Hospital District Board members may be permitted to respond to criticism directed to them after the call to the public. Otherwise, the Hospital District Board may direct that staff review the matter or that the matter be placed on a future agenda. The Hospital 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.

VIII. 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 September 14th, 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, and on the webpage of the Hospital District Board, no later than September 14th, 2026, 4:00 p.m. in accordance with the statement filed by the Hospital District Number One of Mohave County. Dated this 10th day of September 2026.

Posted by Billy Neal

Billy Neal on behalf of:

Logan Marsh

Chairperson of Hospital District Number One of Mohave County

Additional Meeting Resources:

Microsoft Teams meeting

Join: <https://teams.microsoft.com/meet/237738069483401?p=XPsy9mLo463bKdPNPD>

Meeting ID: 237 738 069 483 401

Passcode: Xo6bj3g8

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

3269 Stockton Hill Road – Kingman, AZ 86409

MEETING MINUTES – SEPTEMBER 8, 2026

The Governing Body of Hospital District Number One of Mohave County (Hospital District Board) met in Regular Session on Tuesday, September 8, 2026, at 4:00 p.m. The meeting was held at Kingman Regional Medical Center in Mohave A Conference Room located at 3269 Stockton Hill Road, Kingman, Arizona.

I. CALL TO ORDER

The Regular Session Board Meeting of Hospital District Number One of Mohave County was called to order by Vice Chair Leanne Smith at 4:00 p.m. A quorum was identified.

II. ROLL CALL OF THE HOSPITAL DISTRICT BOARD MEMBERS

Board Members Present:

Leanne Smith, Vice Chair
Dr. Carol Newmyer

Board Member Absent:

Logan Marsh, Chairman

Board Positions Vacant:

Two positions vacant

Members of the Public Present:

Thomas Price

KRMC Representatives Present:

Allen Poston
Candice McDaniel

Josh Hoffman
Emmanuel Buabeng
Cheryl Porter
Billy Neal

III. CONSIDERATION AND APPROVAL OF MINUTES

Discussion ensued regarding the minutes from the September 1, 2026 Regular Board Meeting. Board Members indicated there were no concerns or requested revisions.

ACTION: MOTION MADE BY BOARD MEMBER NEWMYER AND SECONDED BY VICE CHAIR SMITH TO ACCEPT THE SEPTEMBER 1, 2026 MINUTES AS WRITTEN. VOTE 2/0.

IV. FINANCES

A. Payment of Budgeted Legal Invoices

The Board discussed the necessity of addressing all three items under the Finances section at a different time because Chairman Marsh was not present to provide input, the Board Members present agreed that all three items in this agendas Finance section should be tabled until a future meeting.

B. Acceptance of a Bona Fide Donation

Discussion and possible action regarding acceptance of a bona fide donation from the hospital to the District was tabled.

C. Final Supplemental Payment to Former Chairperson Katie Tacheron

The informational update regarding the final supplemental payment to former Chairperson Katie Tacheron was tabled.

ACTION: MOTION MADE BY BOARD MEMBER NEWMYER AND SECONDED BY VICE CHAIR SMITH TO TABLE ITEMS A, B, AND C UNDER THE FINANCES SECTION UNTIL A FUTURE MEETING. VOTE 2/0.

V. NEW BUSINESS

A. Future Review and Modernization of Hospital District Bylaws

Discussion ensued regarding the necessity of tabling the future review and modernization of the Hospital District bylaws because Chairman Marsh was not present.

B. Development of a Hospital District Policies and Procedures Manual

Discussion regarding development of a comprehensive Hospital District Policies and Procedures Manual was tabled because Chairman Marsh was not present.

ACTION: MOTION MADE BY BOARD MEMBER NEWMYER AND SECONDED BY VICE CHAIR SMITH TO TABLE ITEMS A AND B UNDER NEW BUSINESS UNTIL A FUTURE MEETING. VOTE 2/0.

C. Mohave County Elections Services Intergovernmental Agreement

Discussion ensued regarding the Mohave County Elections Services Intergovernmental Agreement and the need for legal consultation with Board Attorney Thomas Price concerning the specific terms of the agreement.

ACTION: MOTION MADE BY BOARD MEMBER NEWMYER AND SECONDED BY VICE CHAIR SMITH TO ENTER EXECUTIVE SESSION FOR LEGAL ADVICE REGARDING THE MOHAVE COUNTY ELECTIONS SERVICES INTERGOVERNMENTAL AGREEMENT. VOTE 2/0.

The Board entered Executive Session at 4:06 p.m.

The Board exited Executive Session at 4:21 p.m.

ACTION: MOTION MADE BY BOARD MEMBER NEWMYER AND SECONDED BY VICE CHAIR SMITH TO RECONVENE IN REGULAR SESSION. VOTE 2/0.

The Board reconvened in Regular Session at 4:25 p.m.

Following Executive Session, discussion continued regarding the cancellation of the 2026 Hospital District election and the need to approve the Intergovernmental Agreement for future election services. Board Attorney Thomas Price provided legal advice regarding the current vacant Board positions and applicable statutory requirements.

ACTION: MOTION MADE BY BOARD MEMBER NEWMYER AND SECONDED BY VICE CHAIR SMITH TO APPROVE THE MOHAVE COUNTY ELECTIONS SERVICES INTERGOVERNMENTAL AGREEMENT FOR FUTURE ELECTION NEEDS. VOTE 2/0.

VI. NEXT MEETING

Vice Chair Smith informed attendees that the next meeting of the Hospital District Board would be held on Tuesday, September 15, 2026, at 4:00 p.m.

VII. CALL TO THE PUBLIC

Vice Chair Smith invited members of the public to address the Hospital District Board. No members of the public came forward to speak.

VIII. ADJOURNMENT

ACTION: WITH NO FURTHER BUSINESS TO DISCUSS, A MOTION WAS MADE BY BOARD MEMBER NEWMYER AND SECONDED BY VICE CHAIR SMITH TO ADJOURN THE MEETING. VOTE 2/0.

The meeting adjourned at 4:30 p.m.

Respectfully submitted by

Billy Neal On behalf of:

Logan Marsh
Chairperson Hospital District Number One of Mohave County

LAW OFFICE OF THOMAS E. PRICE, P.C.
 501 E. Oak St.
 Kingman, AZ 86401-5930

Invoice
 submitted to:
 Hospital District Number One of Mohave County
 Attn: Catherine Furtado
 cfhd1board@gmail.com
 3269 N. Stockton Hill Rd.
 Kingman, AZ 86409

September 1, 2026

In Reference To: Miscellaneous

Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
8/5/2026 Received the resignations of Katie Tacheron, Teresa Boegler and Catherine Furtado; forwarded same to the other board members; drafted cover letters to the Arizona Secretary of State Adrian Fontes.	0.50 380.00/hr	190.00
Teleconference with Cheryl Porter; teleconferences with Logan Marsh; worked on answering Logan Marsh's questions in regards to the next steps; teleconference with Katie Tacheron in regards to the status of the Google account and the cell phone account.	0.70 380.00/hr	266.00
Drafted the agenda for the next meeting	1.00 380.00/hr	380.00
8/6/2026 Reviewed and replied to Logan's August 5th in regards to the agenda	0.20 380.00/hr	76.00
Exchanged text messages related to the proposed agenda; teleconference with Billy Neal in regards to his role prior to the next meeting; emailed proposed email to board members.; Teleconference with Heath Evans and Billy Neal in regards to the next steps. Teleconferences with Billy Neal; reviewed and responded to Billy Neal's emails.	1.60 380.00/hr	608.00
8/7/2026 Prepared letter to Secretary of State regarding board member resignations	0.10 380.00/hr	38.00

Hospital District Number One of Mohave County

Page 2

		<u>Hrs/Rate</u>	<u>Amount</u>
8/12/2026	Reviewed and responded to Logan Marsh's email related to redacting Teresa Boegler's signature on her resignation. Teleconference with Logan Marsh in regards to tomorrow's agenda.	0.90 380.00/hr	342.00
8/13/2026	Reviewed statutory law in regards to obtaining a new office for district. Travel to and from board meeting; attended district board meeting.	2.30 380.00/hr	874.00
8/14/2026	Received and reviewed Logan Marsh's text in regards to Dr. Carol Newmyer's district cell number. Reviewed David Strahl's August 14th and Logan Marsh's response to same; forwarded a copy to the other board members and Billy Neal; teleconference with Logan Marsh in regards to same and records request.	0.40 380.00/hr	152.00
8/18/2026	Reviewed and responded to Logan Marsh's correspondence related to research student's request for records. Teleconferences with Logan in regards to the budget, GME contracts and call from Dan Valentine.	1.00 380.00/hr	380.00
8/19/2026	Reviewed Logan's voicemail; teleconference with Logan regarding same. Teleconferences with Logan Marsh and Billy Neal in regards to a policy in respect to communicating with the public.	0.40 380.00/hr	152.00
8/20/2026	Teleconference with Katie Tacheron in regards to the submission of the District's budget to the County and additional credit card charges; received and reviewed a request for information addressed to KRMC; left message for Billy Neal.	0.40 380.00/hr	152.00
8/21/2026	Reviewed emails from Catherine Furtado and Logan Marsh in regards to a records request from Oshea Smith; left a message for Logan Marsh.	0.20 380.00/hr	76.00
8/23/2026	Teleconferences with Logan Marsh in regards to the district's tax id number; left a message for Logan Marsh regarding same	0.10 380.00/hr	38.00
8/27/2026	Teleconference with Logan Marsh in regards request for public records; reviewed and responded to his response to Oshea Smith.	0.50 380.00/hr	190.00
8/28/2026	Teleconference with Billy Neal and Logan Marsh in regards to the September 1st and packet.	0.40 380.00/hr	152.00
	Reviewed Intergovernmental Agreement between Arizona Health Care Cost Containment System and the hospital district and related state statutes and administrative code, and federal law.	2.00 380.00/hr	760.00
8/31/2026	Met with Heath Evans in regards to monies transferred to district. Teleconference with Logan Marsh in regards to upcoming election.	0.40 380.00/hr	152.00

Hospital District Number One of Mohave County

Page 3

	<u>Hours</u>	<u>Amount</u>
For professional services rendered	13.10	\$4,978.00
Previous balance		\$1,254.00
Accounts receivable transactions		
8/6/2026 Payment - thank you		(\$1,254.00)
Total payments and adjustments		(\$1,254.00)
Balance due		<u>\$4,978.00</u>

The balance is due upon receipt of this statement. Unless other arrangements have been made.

We appreciate your business. Thank you!

We accept VISA, Mastercard, American Express, and Discover.

If you have any questions regarding this billing statement, please contact our staff at (928) 753-1112.

KATHRYN E TACHERON
Closing Date 08/12/26

Customer Care & Billing Inquiries
International Collect
Cash Advance at ATM Inquiries
Large Print & Braille Statements

1-888-258-3741
336-303-1111
1-800-CASH NOW
1-888-258-3741

Website: americanexpress.com

Customer Care & Billing Inquiries
P.O. BOX 981535
EL PASO, TX
79998-1535

Payments
P.O. BOX 60189
CITY OF INDUSTRY
CA
91716-0189

Hearing Impaired
Online chat at americanexpress.com or use Relay dial 711 and 1-888-258-3741

Payments and Credits

Summary

	Total
Payments	\$0.00
Credits	
Total Payments and Credits	

Detail

Indicates posting date

Payments	Amount
07/31/26* PAYMENT RECEIVED - THANK YOU	

New Charges

Summary

	Total
Total New Charges	

Detail

KATHRYN E TACHERON
Card Ending 5-12006

	Amount
9/26 BASHA'S KINGMAN AZ	
480-895-9350	
1/26 S... KINGMAN AZ	
800-898-4027	
1/26 GOOGLE*WORKSPACE_HD1MC.ORG MOUNTAIN VIEW CA	\$171.23
123123123 / help@googl	
2/26 S... KINGMAN AZ	
480-895-9350	
3/26 GOOGLE*FI 2DZM5Z G.CO/HELPPAY# CA	\$79.84
TELECOM SERVICE	
4/26 S... KINGMAN AZ	
480-895-9350	
5/26 S... KINGMAN AZ	
800-898-4027	
5/26 S... KINGMAN AZ	
805-898-4027	
6/26 S... KINGMAN AZ	
480-895-9350	
9/26 S... KINGMAN AZ	
480-895-9350	

Continued on reverse

End of important notices



Mohave County Treasurer
700 West Beale Street
Kingman AZ 86401
PH: (928) 753-0737

Receipt: [REDACTED]

Product	Name	Extended
2	Miscellaneous Receipts [REDACTED]	\$1,500,000.00
Reference: HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY		
Journal Account	Name	Debits Credits
[REDACTED]	Cash w/Treas	\$1,500,000.00
	"Rent ,sales & Misc. Receipts"	(\$1,500,000.00)
Total		\$1,500,000.00
Tender (Direct Deposit)		\$1,500,000.00
Bank Account	1	
Reference	HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY	

Thank You

7/9/26, 3:10 PM MST marshb

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 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.

APPENDIX A – DEFINITIONS

The following definitions, as they relate to real property of the Hospital District Board, apply specifically to Assessor Parcel Number 320-11-063, consisting of approximately 26.14 acres, together with all buildings, improvements, and fixtures located thereon, excluding certain medical equipment affixed to the building solely for safety or operational purposes.

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

****ANY NEW CHANGES TO THESE BYLAWS MUST BE UPDATED WITH QUOTATIONS AND/OR SECTION REFERENCES FOR ANY NEW AMENDMENTS EXPLAINING WHEN, AND HOW THE BYLAW CHANGED****

Previously reviewed and/revised: April 2026; February 2026; July 2012; May, 2011; May, 2008; July 2007, July, 2006, May 3, 2005, March 2, 2004.

HOSPITAL DISTRICT NUMBER ONE
OF MOHAVE COUNTY

Policies and Procedures Manual

Substantive First Draft for Board Review and Redlining

Draft 1.2 | September 3, 2026

NOT ADOPTED

This working draft is intended for Board discussion. It does not replace Arizona law, the District's bylaws, the hospital lease, any adopted resolution or policy, or advice from District counsel.

Draft Status and Use

DRAFT STATUS: Every provision remains open for revision. Bracketed decisions and counsel-review flags identify issues the Board should resolve before adoption.

BYLAW ALIGNMENT: Draft 1.2 has been conformed to the Current Bylaws as of April 14, 2026 supplied for this review. The bylaws control if an unintended inconsistency remains.

This manual is designed as an operating system for a small public hospital district whose Board retains public-law, financial, and strategic responsibility while delegating defined routine tasks. It is intentionally more detailed than a policy outline so the Board can test actual workflows, assign ownership, and identify where historical practices need to change.

The manual is not a substitute for legal advice. Where Arizona law, the District's bylaws, the hospital lease, an IGA, a bond document, or another binding instrument controls, that authority prevails. District counsel should review the full manual before adoption, with particular attention to Section 17.

The financial controls use the \$2,500 unbudgeted, \$5,000 capital, and \$25,000 contract thresholds from the supplied draft Spending Authority and Budget Control Policy as internal processing and procurement thresholds. They do not authorize an administrator to sign a contract, warrant, or other instrument that binds the District. Article VI, Section 5 of the current bylaws requires every warrant, contract, and instrument involving payment or creating a binding District obligation to be signed by at least two Board members. Budget capacity is not automatic spending authority.

COUNSEL REVIEW REQUIRED: Counsel should confirm the precise form of two-director signatures for a warrant register, electronic payment, reimbursement, emergency transaction, and any credit card program under Article VI, Section 5 of the bylaws and A.R.S. § 48-1915.

Document Control

Field	Draft Entry
Manual owner	Board of Directors
Administrative custodian	Secretary/Custodian of Records, with Board-assigned administrative assistance
Draft version	1.2, conformed to Current Bylaws as of April 14, 2026
Draft date	September 3, 2026
Adoption	Not adopted
Proposed review cycle	Annual high-risk review; complete manual review at least every three years
Supersedes	None. Existing adopted policies remain in effect unless expressly superseded by Board

How to Read This Manual

- Policy states the required result or governing rule.
- Procedure identifies who acts, what records are created, and how review occurs.

- Board decision flags identify proposed operating choices that the Board may change.
- Counsel review required flags identify provisions that should not be treated as settled law.
- Required documentation is retained in the District's ordinary email, agenda, accounting, contract, records, asset, and technology systems.

Contents

1. Purpose, Scope, Authority, and Definitions	4
2. Governance and Board Roles	6
3. Agenda, Meeting, and Open Meeting Law Procedures	9
4. Chain of Command and Administrative Authority	13
5. Financial Management and Budget Controls	15
6. Purchasing, Contracts, and IGAs	19
7. Invoice, Warrant, and Disbursement Procedures	22
8. Credit Card and Purchasing Card Controls.....	24
9. Records, Public Records, Retention, and Digitization	25
10. Technology, Email, Devices, and Security	27
11. Administrative Operations	29
12. GME, AHCCCS, Healthcare Education, and Community-Health Programs	31
13. Insurance and Risk Management.....	34
14. Property, Assets, and Inventory.....	36
15. Transition Procedures for Directors, Staff, and Contractors	38
16. Policy Adoption, Amendment, Exceptions, and Review	40
17. Counsel Review Before Adoption	41
18. Primary Authorities and Drafting Sources.....	42

1. Purpose, Scope, Authority, and Definitions

1.1 Purpose

The purposes of this manual are to establish consistent, transparent, and auditable procedures; preserve the Board's control of public money and strategic decisions; define routine administrative authority; protect District records and assets; and support lawful hospital, healthcare education, GME, AHCCCS, and community-health activities.

1.2 Scope

This manual applies to each director, officer, employee, contractor, volunteer, committee member, and other person who handles District business, money, records, technology, property, or confidential information. Contract personnel and personnel supplied by another entity are covered only to the extent stated in their contract, IGA, lease, assignment, or written authorization.

1.3 Governing Hierarchy

1. Federal and Arizona constitutions, statutes, regulations, court orders, and binding governmental requirements.
2. District bylaws.
3. Valid bond documents, leases, IGAs, contracts, and other binding instruments, each read consistently with law and the bylaws.
4. Board resolutions and adopted motions.
5. Adopted policies and this manual.
6. Administrative procedures, digital system settings, and desk guides.

If authorities conflict, the higher authority controls. The Administrator shall stop the affected action when practical, preserve the issue in writing, and refer it to the Chair and District counsel. Only the Board may waive or amend an adopted policy unless that policy expressly delegates a limited exception.

1.4 Core Definitions

Administrator. The employee or contractor whom the Board has authorized in writing to coordinate the District's day-to-day administrative and financial work. The title does not itself create authority to submit an agenda item, sign a warrant or contract, or otherwise bind the District contrary to the bylaws.

Board. The five-member Board of Directors of Hospital District Number One of Mohave County, acting collectively at a lawfully noticed meeting.

Board-reserved matter. A matter that requires Board approval regardless of whether funds are budgeted.

Commitment. An order, promise, contract, instruction, or other action that may obligate District money, property, personnel, or legal rights.

District. Hospital District Number One of Mohave County.

Emergency. An unforeseen circumstance requiring immediate action to avoid serious operational, safety, property, legal, or public consequences. Convenience, delay, and poor planning are not emergencies.

IGA. An intergovernmental agreement or contract with another public agency, including an agreement involving AHCCCS.

Public record. A record reasonably necessary or appropriate to maintain an accurate knowledge of official District activities, regardless of format, location, account, or device, subject to applicable law.

Routine budgeted operating expense. A customary operating cost within an adopted budget category that does not create a new Board-reserved obligation and is consistent with an existing agreement or established service.

Strategic program expenditure. Any GME, AHCCCS, healthcare education, workforce, grant, community-health, hospital-support, or similar program commitment, payment, or transfer.

Total potential contract value. The maximum amount the District could pay during the initial term and all renewal, extension, option, change-order, and contingent periods that can reasonably be valued.

Warrant. The authorized order or process by which the Board approves payment from District money through the County Treasurer, including an approved warrant register if counsel confirms that process is lawful.

2. Governance and Board Roles

2.1 The Board Acts as a Body

The Board exercises District authority collectively. No individual director, including the Chair, may bind the District, direct personnel, authorize a payment, waive a requirement, speak for the Board, or promise Board action unless the Board or a specific adopted policy has granted that authority.

The Board consists of five directors. Under the current bylaws, each director serves a four-year term and, before assuming office, must be a qualified elector, a resident real-property owner within the District, and not an elected or appointed state, county, or city official. The Board retains responsibility for policy, bylaws, budget adoption and amendment, warrants, leases, real property, banking relationships, multi-year agreements, Board-reserved expenditures, strategic programs, appointment and oversight of the Administrator and counsel, litigation direction, insurance strategy, and disposition of material District property.

2.2 Chair

The Chair is elected from the Board for a two-year officer term at the first meeting of the new year and within sixty days after an election, consistent with the officer-election timing in the bylaws and A.R.S. § 48-1908. The Chair presides at meetings, may consult District counsel, coordinates agenda development, and, subject to Board direction, has general charge of the District's business and affairs. The Chair may sign documents the Board has authorized, but every warrant, contract, or instrument involving payment or creating a binding District obligation must also bear the signature of at least one additional Board member. The Chair performs other duties assigned by law, the bylaws, or Board action.

- The Chair should work through the Administrator for routine requests.
- The Chair may not promise an agenda outcome or count votes outside a public meeting.
- The Chair may not approve an invoice payable to the Chair or resolve the Chair's own conflict matter.
- Signature confirms prior authorization. It does not create authorization or eliminate the bylaws' two-director-signature requirement.

The Chair is an at-will officer and may be removed from that office by the affirmative vote of a majority of the Board. Removal from an officer position does not itself remove the person from the elected or appointed director position.

2.3 Vice-Chair

The Vice-Chair is elected from the Board for a two-year officer term on the same schedule as the Chair. In the Chair's absence or disability, the Vice-Chair performs the Chair's duties and exercises the Chair's powers, together with other duties prescribed by the Board. Acting as Chair does not expand the powers of the office. The Vice-Chair is an at-will officer removable from that office by the affirmative vote of a majority of the Board.

2.4 Secretary, Records Custody, and County Treasurer

Article V, Section 1 of the current bylaws states that the Secretary may be a director or a non-member appointed by the Board at a salary fixed by the Board. Current A.R.S. § 48-1908 states that an appointed Secretary shall not be a Board member. Because statute controls, the Board should use a non-member Secretary unless counsel advises otherwise and should consider conforming the bylaws. The Secretary keeps Board minutes, gives and serves District notices, attests contracts authorized by the Board, performs other assigned Board secretarial duties, and is custodian of all District-related emails. Administrative assistance and backup custody may be assigned in writing, but the assignment shall not displace the Secretary's bylaw duties unless the bylaws are amended.

The Mohave County Treasurer is, by virtue of office, the District Treasurer and a non-voting member of the Board. District money shall be maintained and disbursed through the County Treasurer as provided by law and the bylaws, and all money collected for the District shall be remitted promptly to the County Treasurer for the District's account.

2.5 Individual Directors

- Prepare for meetings and ask questions in a manner consistent with Open Meeting Law.
- Disclose conflicts promptly and refrain from participation when required.
- Preserve District records created or received on personal accounts or devices.
- Refer operational requests and vendor directions through the Administrator.
- Do not disclose executive-session, attorney-client, security, personnel, or other protected information.
- Return District property and records promptly at the end of service.

2.6 Committees and Working Groups

A committee, subcommittee, or advisory group shall be created only by Board action or authority expressly granted by law, the bylaws, or a Board-approved delegation. Any such group may itself be a public body subject to Open Meeting Law. Before forming a group, the proposed charter shall identify its purpose, membership, authority, reporting method, duration, records custodian, and meeting requirements.

COUNSEL REVIEW REQUIRED: Counsel should determine whether each proposed committee or working group is a public body and whether informal fact-gathering arrangements create Open Meeting Law risk.

2.7 Ethics and Conflicts of Interest

A director, officer, or employee who has, or whose relative has, a substantial interest in a District contract, purchase, service, or decision shall disclose the interest in the District's official records and shall not vote or otherwise participate as required by A.R.S. § 38-503. The disclosure and nonparticipation shall be reflected in the minutes. Article VI, Section 1 of the bylaws is expressly subject to Arizona

conflict-of-interest statutes; counting an interested director for quorum purposes does not authorize participation or a vote prohibited by statute.

- Potential conflicts shall be reported to the Administrator, Chair, and counsel before the matter is discussed with other directors.
- The affected person shall leave any nonpublic discussion unless counsel advises otherwise and shall not influence staff, vendors, or other directors.
- The District shall maintain conflict disclosures in the official records, and recusals shall be reflected in the meeting minutes.
- No public resource may be used for personal, political, or private benefit except as specifically authorized by law.
- A director shall not accept a gift or remuneration except for the limited meals, Kingman Regional Medical Center logo items, and sponsored social occasions described in Article IX of the current bylaws. Any uncertain item shall be declined pending counsel review.

COUNSEL REVIEW REQUIRED: Transactions that benefit a private party, including grants, hospital support, educational payments, or use of District property, require a documented public purpose and legally sufficient consideration under applicable law, including the Arizona Constitution's Gift Clause.

2.8 Orientation and Continuing Education

Within thirty days after taking office, each director should receive the bylaws, lease, current budget, latest audit, this manual, Open Meeting Law materials, conflict-of-interest materials, key contracts and IGAs, insurance summary, records-retention information, and current strategic-program commitments. The District should fund reasonable training relevant to public governance, finance, records, and hospital-district responsibilities, subject to budget and approval rules.

3. Agenda, Meeting, and Open Meeting Law Procedures

3.1 Annual Meeting Calendar

The Board should adopt or acknowledge a regular meeting calendar each year. Meetings shall be held at places within the District designated by the Board, and a majority of the sitting directors constitutes a quorum. A standing calendar does not replace the notice and agenda required for each meeting. The Administrator shall maintain a deadline calendar for posting, packet preparation, personnel notices, statutory filings, contract deadlines, budget deadlines, and election matters.

3.2 Agenda Requests

Only an elected official or a county employee acting through the employee's department supervisor may submit an item for the Board's agenda under Article III, Section 8 of the current bylaws. A citizen must submit a request through the citizen's respective Board member, who has sole discretion whether to sponsor or deny it. The Administrator and District counsel may prepare supporting material for an eligible submitter but may not independently place an item on the agenda unless they separately qualify under the bylaws.

An eligible requester may submit a proposed agenda item by email directly to the Chair or the recording Secretary. A citizen request must come through the citizen's respective Board member as stated above. The email should identify the proposed subject, whether the item is informational only, discussion only, or discussion and possible action, any action requested, known fiscal effect, and supporting material. The recipient shall retain the email as a District record and coordinate the filing required by the bylaws.

For a regular meeting, every regular or consent item shall be filed with the Clerk of the Mohave County Board of Supervisors at least ten days before the meeting. The request must therefore be emailed early enough to permit that filing. The Chair may reject a late item in the Chair's sole discretion. For a special meeting, an eligible submitter must email the proposed item no later than forty-eight hours before the meeting.

COUNSEL REVIEW REQUIRED: Counsel should confirm the filing mechanics with the Clerk of the Board of Supervisors, how recurring reports and actual emergencies are handled, and whether any statutory change supersedes the bylaw procedure.

3.3 Agenda Drafting

- State the specific matter to be discussed, considered, or decided.
- Use 'informational only' when no deliberation or action is expected and 'discussion only' when deliberation may occur but no action is requested.
- Use 'discussion and possible action' only when action is genuinely within the noticed scope.
- Name the agreement, counterparty, amount, program, property, office, or other subject when disclosure will not defeat a lawful executive-session purpose.

- List the correct statutory citation and a sufficient general description for each executive-session item.
- Do not use vague labels such as 'new business,' 'legal update,' or 'IGA' by themselves.

3.4 Notice and Posting

The District shall annually file with the Clerk of the Mohave County Board of Supervisors a disclosure statement identifying where meeting notices will be posted. Notice shall be posted at the identified physical location within the District and on the District website. Meeting notice and agenda shall be posted at least twenty-four hours before the meeting, subject to the exact computation rules and exceptions in A.R.S. § 38-431.02. The Secretary, with administrative assistance as assigned, shall preserve the ordinary digital evidence of posting, including the date, time, locations, website status, and identity of the person who posted.

A director's attendance or written waiver may waive that director's personal notice as stated in the bylaws, but it does not waive public notice, agenda, access, or other Open Meeting Law requirements. Every written director waiver shall be filed with District records.

COUNSEL REVIEW REQUIRED: Counsel should confirm the District's disclosure statement, physical posting location, website procedure, computation of the twenty-four-hour period, and any accommodation for special or emergency meetings.

3.5 Meeting Packets

The goal is to distribute a complete packet to directors at least three business days before a regular meeting. Late material shall be clearly marked and distributed consistently with Open Meeting Law. A decision item packet should contain:

- An agenda cover memorandum explaining the requested action and background.
- A clear proposed motion or decision options.
- The full contract, policy, resolution, IGA, or other document to be approved.
- A fiscal impact statement identifying budget category, available balance, total potential value, and future-year effects.
- Counsel review or a statement that review remains pending.
- Conflict disclosures, procurement record, and supporting analysis when applicable.

Packet material is a public record unless an applicable law permits withholding. Confidential material shall be segregated, labeled, transmitted securely, and not placed in the public packet.

3.6 Communications Outside Meetings

Directors shall not use email, text, telephone, social media, intermediaries, or serial communications to discuss, deliberate, or propose legal action with a quorum outside a properly noticed meeting. Staff

distributions to the Board should be one-way, administrative, and should not invite replies to the group. Directors should reply only to the sender unless counsel has approved another method.

- Do not use reply-all on Board business.
- Do not forward another director's comments to directors in a way that creates a serial discussion.
- Do not poll directors or ask how they intend to vote.
- Calendar scheduling, receipt acknowledgments, and purely administrative notices should avoid substantive discussion.

COUNSEL REVIEW REQUIRED: When there is doubt whether a communication proposes legal action or contributes to deliberation, stop and obtain advice before sending it to multiple directors.

3.7 Conduct of Meetings

1. Call the meeting to order and state the time.
2. Take attendance, identify remote participants, and establish a quorum.
3. Address conflicts and required recusals before the affected item.
4. Follow the agenda order unless a lawful change is made. Do not expand discussion beyond the noticed subject and matters reasonably related to it.
5. State motions clearly and record the maker, second if used, discussion, amendments, vote, and result.
6. Use a roll-call vote for remote meetings and whenever clarity is needed.
7. State the adjournment time.

3.8 Remote Participation

Remote participation may be used if permitted by the bylaws and applicable law. The public must be able to attend and listen as required, each participating director must be able to hear the proceedings, and the minutes shall identify the method of participation. If a connection failure destroys the quorum or prevents meaningful public access, the Chair shall pause the meeting and, if the problem cannot be corrected, recess or adjourn.

3.9 Call to the Public

A call to the public is optional unless otherwise required. If included, the Chair shall apply reasonable time, place, and manner rules consistently. At the close of the call, directors may respond to criticism, ask staff to review a matter, or ask that it be placed on a future agenda subject to the bylaw submission and filing procedure, but shall not deliberate or take action on an unlisted matter.

3.10 Executive Sessions

An executive session may be held only after a public majority vote of the members constituting a quorum and only for a purpose authorized by A.R.S. § 38-431.03. The agenda shall contain the applicable citation and a sufficient general description. The Board shall not take a final vote in executive session.

Participants shall be instructed on confidentiality, and attendance shall be limited to persons whose presence is reasonably necessary.

- Provide the separate written notice required for personnel matters when applicable.
- Keep executive-session minutes and materials in a restricted repository.
- Do not disclose executive-session information after leaving office.
- Return to public session before any binding vote, except for lawful instructions expressly allowed by statute.

3.11 Minutes and Recordings

The Secretary shall prepare or cause preparation of written minutes or a recording that satisfies A.R.S. § 38-431.01. Public minutes or the recording shall be available for inspection within three working days after the meeting as required by law and Article V, Section 1 of the bylaws. Draft minutes shall be labeled as proposed until approved. Corrections shall preserve the original draft and document the approved change.

Minutes shall include the date, time, place, attendance, matters considered, accurate description of legal actions proposed, discussed, or taken, how each director voted, motion makers, and speakers or presenters as required. The District shall retain agendas, packets, posting records, recordings, minutes, and resolutions under the applicable retention schedule.

3.12 Emergency Meetings

Emergency procedures may be used only for an actual emergency requiring immediate action to avoid a serious consequence that cannot wait for ordinary notice. The Chair, Administrator, and counsel should confer if time permits. The reason, notice given, public announcement, and minutes shall satisfy A.R.S. § 38-431.02. An urgent preference or missed deadline is not an emergency.

4. Chain of Command and Administrative Authority

4.1 Basic Structure

The Administrator is accountable to the Board as a body. Consistent with Article IV, Section 3 of the bylaws, the Chair has general charge of the District's business and affairs subject to Board direction and is the usual coordination point between meetings. The Chair ordinarily carries out that role through Board-approved policy and the Administrator rather than by changing collective Board direction. Individual directors shall route operational requests through the Administrator and shall not directly manage contractors, staff, accountants, records personnel, or vendors without Board authority.

4.2 Board Direction

Board direction shall be captured in minutes, resolutions, approved contracts, or the District's existing digital task system. When follow-up is assigned, the responsible person, due date, status, and completion should be recorded in that system or in the related digital file. If a request appears inconsistent with prior Board direction, law, budget, contract, lease, or this manual, the Administrator shall identify the conflict before proceeding.

4.3 Administrative Authority

Within adopted policy and budget limits, the Administrator may coordinate routine operations, obtain quotes, communicate with vendors and agencies, prepare agenda material for an eligible bylaw submitter, assemble packets, assist the Secretary with records, review invoices, prepare payments for Board warrant approval, administer existing contracts, respond to routine correspondence, and protect District systems and property.

Administrative approval means internal approval to process or recommend a transaction. It does not authorize the Administrator to sign a warrant, contract, or instrument involving payment or creating a binding District obligation. Those instruments require signatures from at least two Board members under the bylaws.

The Administrator may not adopt policy; amend the budget; approve Board-reserved matters; settle claims; open or close banking relationships; bind future Boards through multi-year obligations; commit strategic program funds; waive a material contract right; dispose of real property; or direct the hospital lessee outside the District's contractual rights.

4.4 District Counsel

District counsel represents the District as an entity and reports to the Board. The Chair may consult counsel under the bylaws. The Administrator may contact counsel only within authority established by the Board, the Chair, or counsel's Board-approved engagement. Material legal strategy, litigation instructions, conflicts among officials, and matters likely to create significant cost or policy consequences shall be brought to the Board in a manner consistent with Open Meeting Law and privilege.

4.5 Relationship With Hospital Lessee and Affiliated Personnel

The hospital lessee, its executives, and its personnel are not District staff and may not exercise District authority unless a lease, contract, IGA, or written Board action specifically assigns that function. District and lessee records, money, property, email, procurement, and approvals shall not be commingled. Requests affecting hospital operations shall proceed through the lease's communication and enforcement structure.

COUNSEL REVIEW REQUIRED: The chain of command must be conformed to the final hospital lease, including notice, reporting, inspection, default, property, insurance, audit, and records provisions.

4.6 Urgent Operational Matters

When delay could materially harm District operations, records, property, security, or legal rights, the Administrator may take reasonable protective action within existing authority. The Administrator shall notify the Chair promptly, preserve supporting records, avoid creating a payment that cannot lawfully be processed, and arrange a special meeting when Board action is required.

5. Financial Management and Budget Controls

5.1 Financial Principles

- Public money shall be used only for a lawful District purpose.
- Budget capacity is not automatic spending authority.
- No person may approve payment to themselves.
- Commitment, receipt, invoice approval, warrant approval, and accounting should be separated as far as staffing permits.
- Every transaction shall be documented sufficiently for a director, auditor, records custodian, and member of the public to understand its authority, purpose, amount, and recipient, subject to lawful confidentiality.

5.2 Budget Calendar and Adoption

Target period	Work product	Responsible role
February to March	Assumptions, revenue outlook, contract obligations, program requests, capital needs	Administrator and advisors
April	Department or program proposals; legal and lease review of unusual items	Administrator, counsel, program sponsor
May	Working draft, cash forecast, reserves, and budget-to-actual analysis	Administrator and accountant
June	Public Board review, revisions, and authorization of final filing	Board
No later than July 10	Prior-year operating report and written estimate; the bylaw deadline is five days earlier than the July 15 statutory deadline	Board and Administrator
Within 240 days after fiscal year close	Annual report to the Clerk of the Mohave County Board of Supervisors	Secretary or other Board officer
Monthly	Budget-to-actual monitoring and corrective action	Administrator and Board

The budget file shall include the adopted version, resolutions, schedules, assumptions, supporting worksheets, County submissions, proof of delivery, and any amendments. A proposed program allocation shall state whether it is a planning reserve, maximum authority, matching-fund estimate, or committed expenditure.

5.3 Budget Amendments and Transfers

A budget amendment requires Board approval and any filing, notice, hearing, or County process required by law. Until the Board adopts a separate transfer rule reviewed by counsel, no administrative transfer between budget categories is permitted. The Administrator may reclassify an accounting error without changing the substance of the budget, provided the correction is documented and reported.

COUNSEL REVIEW REQUIRED: Counsel and the District's financial advisors should determine the lawful process and timing for amending an estimate or budget submitted under A.R.S. § 48-1914, including County notification and expenditure-limit requirements.

5.4 Spending and Commitment Authority

The following structure uses the thresholds proposed in the supplied Spending Authority and Budget Control Policy as internal processing, competition, and escalation thresholds. It does not delegate signature authority prohibited by the current bylaws. All thresholds are per transaction or related series of transactions and use total potential contract value. Splitting is prohibited.

Transaction type	Administrative role	Board action and signature
Routine budgeted operating expense	Confirm need, budget, receipt, and invoice; process under an existing Board-approved arrangement	Board-approved warrant signed by at least two directors
Recurring expense under Board-approved agreement	Administer within the approved agreement and budget	Two-director-signed warrant; Board approval and signatures for amendment or renewal
Unbudgeted item	Up to \$2,500 may be internally approved if absorbable without an unlawful transfer	Any binding instrument and every warrant signed by at least two directors; Board approval above \$2,500
Capital purchase	Up to \$5,000 may be procured and recommended if budgeted or within the \$2,500 unbudgeted limit	Any binding instrument and every warrant signed by at least two directors; Board approval above \$5,000
Contract or professional service	Up to \$25,000 may be procured, negotiated, and recommended; no administrative signature	Board authorization and at least two director signatures on every contract; Board approval above \$25,000 and for multi-year terms
GME, AHCCCS, IGA, grant, healthcare education, community-health, or hospital-support program	Prepare recommendation only; no commitment authority	Always required; binding agreement and warrants signed by at least two directors
Real estate, lease, banking, debt, settlement, strategic initiative, or related-party matter	Prepare recommendation only	Always required; binding instrument signed by at least two directors

BOARD DECISION: The Board should debate the \$2,500, \$5,000, and \$25,000 thresholds, the treatment of very large routine invoices under existing agreements, and whether lower internal notice thresholds are needed.

COUNSEL REVIEW REQUIRED: Article VI, Section 5 of the current bylaws controls signatures unless amended. Counsel should confirm which non-instrument administrative decisions may be delegated and how the two-director-signature requirement interacts with A.R.S. § 48-1915, the lease, procurement duties, and County Treasurer procedures.

Bond issuance is Board-reserved and requires all elections, County approvals, debt limits, and other procedures imposed by law. Bonded indebtedness shall not exceed the ten-percent assessed-value limit stated in Article VI, Section 6 of the bylaws and A.R.S. § 48-1913.

5.5 Segregation of Duties

At minimum, the requester or recipient shall confirm the need or receipt; the Administrator or designee shall review authority and coding; the Board shall approve the warrant; at least two directors shall sign it; and the Mohave County Treasurer shall disburse. If one person performs more than one administrative role, a second independent review shall be documented before the warrant reaches the Board.

5.6 Monthly Financial Report

The monthly packet should include the following, with explanations for material variances and unusual transactions:

- County Treasurer and other lawful account balances, reconciled to the general ledger.
- Budget-to-actual results by major category and fiscal-year forecast.
- Warrant register, ACH activity, voids, credits, and outstanding items.
- Accounts payable aging and known commitments not yet invoiced.
- Contract and IGA obligations, including future-year commitments.
- Strategic program activity, deliverables, and remaining Board-authorized balances.
- Exceptions, missing documents, fraud concerns, claims, and corrective actions.

5.7 Reconciliations and Close

All money collected on behalf of the District shall be remitted promptly to the Mohave County Treasurer for the District's account. County Treasurer, credit-card, receivable, payable, and material subsidiary records shall be reconciled monthly by a person who did not originate the transactions when staffing permits. Reconciliations shall identify preparer, reviewer, date, outstanding items, and resolution. The year-end file shall include trial balance, ledgers, confirmations, schedules, warrant records, contracts, capital assets, program obligations, and audit support.

5.8 Reimbursements and Travel

Directors serve without compensation except for necessary and actual District-business expenses approved by the Board and any statutory per diem when away from the District on District business. Reimbursement requires a documented District purpose, itemized receipt, date, participants when relevant, budget code, and approval by someone other than the claimant. Personal expenses, undocumented expenses, alcohol, traffic or parking violations, and expenses prohibited by law are not reimbursable. Director travel and incidental expenses shall comply with the bylaws, A.R.S. § 48-1909, and any Board-adopted travel schedule.

5.9 Fraud, Error, and Whistleblower Response

Suspected theft, falsification, unauthorized spending, conflict, cybersecurity fraud, or material accounting error shall be reported immediately to the Chair, Vice-Chair if the Chair is implicated, counsel, and the insurer as appropriate. Records and system logs shall be preserved. No person may retaliate against a good-faith reporter. The Board shall determine investigation and corrective action while protecting due process and confidentiality.

6. Purchasing, Contracts, and IGAs

6.1 Procurement Standard

Purchasing shall be fair, documented, proportionate to the value and risk, and designed to obtain reasonable value for a lawful District purpose. The District's ordinary email, quote, contract, agenda, minutes, and accounting records shall collectively show the need, price, authority, approval, receipt, and payment for each purchase.

6.2 Standard Workflow

1. Define the need, deliverable, and District purpose.
2. Confirm budget, cash, authority, and whether the matter is Board-reserved.
3. Check conflicts and vendor eligibility.
4. Obtain competition or prepare an exception justification.
5. Evaluate total potential value, not merely an annual or monthly price.
6. Complete counsel, insurance, data-security, and lease review as applicable.
7. Obtain approval before ordering, signing, or allowing work to begin. Any purchase order, acceptance, account agreement, or other instrument that binds the District requires at least two Board-member signatures.
8. Verify receipt and performance before invoice approval.
9. Retain the complete procurement and contract file.

6.3 Proposed Competition Tiers

Value or circumstance	Proposed minimum record
Routine item under \$2,500	Document price reasonableness when practical; recurring utility and regulated charges may rely on tariff or invoice.
\$2,500 to under \$5,000	At least two written prices or a written explanation why competition is not useful.
\$5,000 to \$25,000	At least three written quotes or a documented request process; capital items above \$5,000 still require Board approval.
Above \$25,000 or high risk	Board-approved competitive process appropriate to the purchase, unless a documented exception applies.
Professional, legal, audit, specialized, emergency, or sole-source service	Qualifications, scope, rates, conflict check, and written exception or selection basis.

BOARD DECISION: These competition tiers are policy proposals, not a claim that they are statutory thresholds. The Board may adopt different tiers after counsel and operational review.

6.4 Exceptions

A sole-source, emergency, cooperative, compatibility, or continuity exception shall be documented before commitment when practical. The record shall identify the exception, alternatives considered, price reasonableness, duration, approving authority, and why the exception serves the District. An exception to competition is not an exception to budget, Board, contract, warrant, conflict, or records requirements.

6.5 Contract Standards

Contracts shall be written and fully executed before work begins. Under Article VI, Section 5 of the bylaws, every contract or other instrument involving payment or creating a binding District obligation shall be signed by at least two Board members. The Secretary shall attest every Board-authorized contract under Article V, Section 1. Each contract file should address scope, deliverables, schedule, total value, invoices, performance acceptance, term, renewal, termination, ownership, confidentiality, public-records obligations, audit access, insurance, indemnity, data security, breach notice, records retention, dispute process, governing law, venue, conflicts, assignment, amendment, and signatures.

- Automatic renewals shall be calendared at least ninety days before the notice deadline.
- Change orders and amendments are aggregated with the original value for authority purposes.
- The Administrator may negotiate or prepare a contract but shall not sign it on behalf of the District. At least two directors shall sign after Board authorization, and the Secretary shall attest it.
- Verbal direction shall not expand scope. Any urgent direction shall be memorialized immediately.

6.6 Intergovernmental Agreements

Every IGA shall be approved by the Board, signed by at least two directors, attested by the Secretary, and submitted to the attorney for each Arizona public agency before execution as required by A.R.S. § 11-952, unless counsel identifies an applicable exception. The file shall contain the agreement's duration, purpose, financing, budget, termination method, property disposition, required attorney determinations, Board authorization, signed agreement, filing or effective-date proof, and performance records. No payment shall be made under an unapproved IGA.

6.7 Leases and Real Property

The Board retains authority over every lease, lease amendment, real-property transaction, material easement, and property encumbrance. Each binding instrument shall be signed by at least two directors and attested by the Secretary. The file shall include statutory authority, appraisal or valuation when appropriate, due diligence, title and environmental review, insurance, public process, Board findings, counsel approval, signatures, and continuing-obligation calendar.

COUNSEL REVIEW REQUIRED: Hospital leasing is specifically governed by Title 48, Chapter 13. The final lease and any property transaction should be reviewed independently from this manual.

6.8 Vendor Setup and Changes

Before first payment, obtain a W-9 or appropriate tax record, legal name, address, contact, remittance information, contract or authorization, and conflict check. Any request to change payment instructions shall be verified through a known telephone number or independent contact method, not the contact information in the change request. The verifier and date shall be recorded.

7. Invoice, Warrant, and Disbursement Procedures

7.1 Invoice Intake

All invoices shall be sent to a designated District address or email, and the received date shall be retained in the digital record. The Administrator shall screen for duplicate invoice number, mathematical error, sales tax issue, changed remittance instructions, prior payment, conflict, and missing contract or authorization.

7.2 Three-Part Review

1. Authority review: identify budget category, contract, Board action, delegated authority, and procurement record.
2. Performance review: obtain confirmation that goods or services were received and are acceptable.
3. Payment review: verify payee, amount, due date, coding, credits, payment method, and supporting documents.

Approval shall be recorded in the District's accounting workflow or by retained approval email. An invoice payable to the Administrator, Chair, or reviewer shall be assigned to another authorized reviewer.

7.3 Warrant Register

The Administrator shall prepare a warrant register for Board approval. Each line shall show warrant or transaction number, payee, amount, invoice date and number, brief public purpose, budget category, contract or Board authorization, payment method, and any exception. Confidential details shall be segregated without making the public description misleading.

The Board may approve a register by a clear motion that identifies the register date and total. A director may request that an item be pulled for separate consideration. A conflicted director shall not participate in the affected item. After approval, the warrant or warrant register shall be signed by at least two Board members. Approved, pulled, and rejected items shall be marked, and the signed register or resolution shall be retained.

7.4 Payment Through County Treasurer

The Mohave County Treasurer is the District Treasurer and a non-voting Board member under the bylaws. District money shall be deposited with and paid through the County Treasurer as required by the bylaws and A.R.S. § 48-1915, unless counsel confirms a different lawful treatment for a specific fund or transaction. After Board approval and two-director signature of the warrant, the Administrator shall submit the approved record to the County Treasurer, record the disbursement, and retain proof of payment.

COUNSEL REVIEW REQUIRED: Confirm whether the Board may approve a consolidated warrant register, how the bylaws' two-director signatures must appear, whether approval must precede every ACH and card settlement, how electronic signatures may be used, and how rejected or corrected warrants are handled.

7.5 ACH, Wire, and Fraud Controls

- Use ACH or wire only when the contract and payment authority permit it.
- Verify new or changed instructions independently and document the verification.
- Use multifactor authentication and dual release when the platform permits.
- Never act solely on an emailed request to accelerate payment or redirect funds.
- Report suspected fraud immediately and contact the financial institution through a known channel.

7.6 Voids, Credits, Refunds, and Stale Items

Voids, stop payments, returned payments, refunds, credits, stale warrants, and reissues shall be recorded in the accounting system and reported on the next warrant or financial report. A reissue shall reference the original approval and shall not result in double payment. Unapplied credits and refunds shall be followed to resolution.

7.7 Emergency Commitments and Payments

The Administrator may take nonbinding protective steps in an emergency within authority already adopted by the Board and may administer an existing Board-approved emergency arrangement. The Administrator shall not sign a new binding instrument for the District. The Administrator shall use the least action reasonably necessary, document the facts and price, notify the Chair and counsel, and arrange Board action promptly. Any new binding instrument and every warrant require at least two Board-member signatures under the bylaws.

COUNSEL REVIEW REQUIRED: The supplied spending policy permits emergency expenditures, but the bylaws require two Board-member signatures on binding instruments and warrants, and A.R.S. § 48-1915 requires Board-approved warrants. Counsel should approve a specific emergency workflow, potentially including special meetings and preapproved limited arrangements.

8. Credit Card and Purchasing Card Controls

8.1 Activation Condition

No District credit card, purchasing card, store account, or online payment card shall be opened, activated, or used until the Board approves the program, at least two directors sign the account agreement or other binding instrument, and counsel and the County Treasurer confirm in writing how card commitments, statement liability, and warrant approval comply with the bylaws and A.R.S. § 48-1915.

8.2 Issuance

Cards shall be issued to a named individual, not a department. The Board or its adopted policy shall establish the cardholder, single-purchase limit, monthly limit, merchant restrictions, custody, and approving reviewer. The issuer or account-administration record shall identify the assigned cardholder and approved limits.

8.3 Permitted and Prohibited Use

A card may be used only for an approved District purpose within budget, procurement, and spending limits. It shall not be used for personal purchases, cash advances, gift cards or cash equivalents, alcohol, fines, recurring contracts not separately approved, split purchases, political activity, or any item otherwise prohibited.

8.4 Receipts and Reconciliation

1. The cardholder submits an itemized receipt, business purpose, participants if relevant, authorization, and budget code within three business days.
2. A reviewer other than the cardholder reconciles every transaction to the statement.
3. The Administrator investigates missing receipts, disputes, credits, and personal charges immediately.
4. The issuer statement, receipts, transaction details, and retained digital approvals are included in the warrant process before payment, unless counsel has approved another lawful timing method.
5. The complete statement file is retained as a public financial record, with lawful redactions for account-security information.

8.5 Misuse, Loss, and Separation

Loss, theft, compromise, or personal use shall be reported immediately. The District shall freeze the account, preserve records, dispute charges, seek repayment, and terminate access by the user's final day.

9. Records, Public Records, Retention, and Digitization

9.1 Records Governance

The Secretary is the custodian of all District-related emails and is responsible for the Board minutes, notices, and contract attestations assigned by the bylaws. The Board shall designate at least one administrative backup and may assign records work without displacing the Secretary's bylaw responsibility. The Secretary and assigned staff shall use the District's existing digital systems to track the records inventory, repositories, retention schedules, public-records requests, legal holds, destruction actions, and access permissions. District records remain District property regardless of who created them or where they are stored.

9.2 Official Repositories

Official records shall be stored in Board-approved repositories using consistent folders, access controls, file names, and backups. Every book, record, and minute shall be in written form or capable of conversion to written form within five business days as required by Article VI, Section 2 of the bylaws. A working file on a personal device, private email, text thread, lessee system, vendor portal, or removable drive shall be transferred to the official repository promptly if it documents District activity. Convenience copies should not become uncontrolled archives.

9.3 Email, Text, and Messaging

District business should be conducted through District-managed accounts. If a personal account or device is used, the person shall preserve the record and forward or export it to the District repository. Deleting a message from a phone does not eliminate the District's record obligation. Directors and staff shall not use disappearing-message settings for District business.

9.4 Public Records Request Workflow

1. Preserve the original request, attachments, and received date in the official digital repository.
2. Acknowledge promptly and identify a District contact.
3. Clarify scope when needed without delaying reasonable search efforts.
4. Identify custodians, repositories, date ranges, search terms, and responsive formats.
5. Preserve responsive material and suspend routine destruction if necessary.
6. Review for confidentiality, privilege, privacy, security, and other lawful withholding; consult counsel for disputed or sensitive material.
7. Produce records promptly in an existing practical format, with an explanatory letter and redaction or withholding basis when applicable.
8. Retain the request, search record, correspondence, produced set, withheld set, fee record, and closure date.

The District shall not state that a record does not exist until reasonable custodians and repositories have been checked, including records held for the District by the County, lessee, accountant, attorney,

contractor, or service provider. A request for a report that the District does not maintain shall be distinguished from a request for underlying existing records.

COUNSEL REVIEW REQUIRED: Counsel should review withholding, privilege, privacy balancing, commercial-purpose fees, burdensome requests, metadata requests, and any proposed statement that the District is not required to create or compile a new record.

9.5 Retention and Destruction

The District shall follow Arizona State Library, Archives and Public Records schedules applicable to special districts and any approved custom schedule. No record may be destroyed because storage is inconvenient or because a person leaves office. Records subject to audit, request, investigation, claim, litigation hold, or continuing contract need shall be retained until released, even if the ordinary retention period has expired.

Disposition shall be authorized, documented, secure, and consistent across paper and electronic copies. The records custodian shall file the records-destruction report required by A.R.S. § 41-151.19 at least annually and retain proof of destruction.

9.6 Digitization

1. Inventory and prioritize permanent, financial, meeting, lease, property, personnel, and contract records.
2. Scan at a legible resolution using stable formats; apply optical character recognition when useful.
3. Capture source, date, title, responsible office, retention class, confidentiality, and related transaction metadata.
4. Perform page-count, orientation, legibility, and completeness quality control before accepting a scan.
5. Store the master in the official repository with backup and access controls.
6. Destroy an original only when the retention schedule, legal requirements, historical value, audit needs, and counsel advice permit it.

9.7 Legal Holds and Investigations

Upon notice of a claim, subpoena, audit, investigation, anticipated litigation, or relevant public-records dispute, counsel or the records custodian shall issue a written hold. The hold identifies custodians, subjects, date ranges, systems, and suspension requirements. Release shall be written. Destruction while a hold is active is prohibited.

10. Technology, Email, Devices, and Security

10.1 Technology Ownership and Administration

District accounts, domains, devices, numbers, software, files, configuration, and data are District property. The Board shall designate an accountable technology administrator and a backup. Vendors shall not be the sole owners of credentials, domains, encryption keys, backup accounts, or billing relationships.

10.2 Minimum Security Controls

- Unique accounts for each user; no routine shared credentials.
- Multifactor authentication for email, cloud storage, finance, domain, and administrative accounts.
- A Board-approved password manager and strong unique passwords.
- Automatic screen lock, supported operating systems, security updates, encryption, and remote-wipe capability for District devices.
- Least-privilege access and quarterly review of users, groups, forwarding rules, integrations, and administrators.
- Backups separated from ordinary user access, with at least annual restore testing.
- Documented vendor, software, license, data, and device inventories.

10.3 Email and Open Meeting Law

Board email shall be configured and used to reduce quorum communications. Administrative distributions should normally be sent individually or by blind copy and should instruct directors not to reply to the group. A Board distribution list shall not be used for substantive discussion or proposed legal action. Automatic forwarding to personal accounts should be disabled unless the technology administrator and records custodian approve a preservation method.

10.4 Acceptable Use

District technology shall be used for District business and incidental personal use, if allowed, shall be minimal, lawful, secure, and cost-free. Users shall not install unapproved software, disable security controls, share confidential records through personal file-sharing services, connect unknown media, or use District systems for political campaigns, harassment, unlawful activity, or private business.

10.5 Artificial Intelligence and External Tools

No user shall submit executive-session information, attorney-client material, passwords, protected personal information, security details, nonpublic financial instructions, or confidential contract information to a public artificial-intelligence or external processing service unless the District has approved the service, data terms, retention, security, and records procedure. Material used for Board action shall be independently verified and retained with the decision record when relevant.

10.6 Security Incident Response

1. Report suspected phishing, account takeover, lost device, misdirected record, malware, or financial fraud immediately.
2. Preserve evidence and isolate the affected account or device without destroying logs.
3. Notify the Chair, Administrator, technology provider, counsel, insurer, and financial institution as appropriate.
4. Assess access, containment, legal notice, public records, business continuity, and law-enforcement needs.
5. Document actions, recovery, lessons learned, and control improvements.

The District should use the NIST Cybersecurity Framework 2.0 as a scalable reference for governing, identifying, protecting, detecting, responding to, and recovering from cybersecurity risk.

10.7 Website and Public Communications

The District website shall have named content and technical owners, current notice locations, accessible meeting materials, contact information, public-records instructions, and a documented update and backup process. Only authorized speakers may issue statements on behalf of the District. Personal views shall not be presented as Board positions.

11. Administrative Operations

11.1 Annual Administrative Calendar

The Administrator shall maintain a master calendar for Board meetings, budget and County deadlines, audit, tax and financial filings, insurance renewals, contract expirations, IGA deadlines, public notices, officer reorganization, elections, records-destruction reports, inventory, technology access reviews, and policy reviews.

11.2 Correspondence and Signature

Incoming mail and service shall be date-stamped or preserved with its digital received date, scanned when necessary, delivered to the responsible person, and retained in the official repository when material. Outgoing correspondence shall identify the authority and responsible official. The Chair or another director may sign only within Board or policy authority. Every warrant, contract, or instrument involving payment or creating a binding District obligation shall bear at least two Board-member signatures, and the Secretary shall attest Board-authorized contracts. Electronic signatures shall be controlled and may not be applied by another person without specific written authorization and an audit trail.

11.3 Administrative Files

- Board governance and officer records.
- Meetings, agendas, packets, minutes, and posting proof.
- Budget, accounting, warrants, audits, and tax records.
- Contracts, IGAs, leases, procurement, and vendor files.
- Programs, grants, GME, AHCCCS, performance, and closeout records.
- Public records, litigation, claims, insurance, and legal holds.
- Property, devices, accounts, access, security, and inventories.
- Personnel or contractor administration and transition files.

11.4 Complaints and Service Requests

The District shall retain material complaints in the official repository, identify whether they concern District governance or hospital operations, acknowledge receipt, deliver them to the responsible entity, and preserve the response and closure status in the existing digital record. Complaints involving legal, safety, fraud, discrimination, retaliation, or patient information shall be escalated promptly. The District shall not investigate hospital clinical matters outside its legal and contractual role.

11.5 Employees, Contractors, and Volunteers

Before assigning work, the District shall document status, scope, supervisor, pay or rate, budget, insurance, confidentiality, records, technology, conflicts, and termination. Contractor labels shall not be used to avoid legal employment obligations. Personnel decisions shall follow applicable law, Board authority, due process, and executive-session requirements.

COUNSEL REVIEW REQUIRED: If the District employs staff, counsel should create or review separate personnel policies covering wage and hour, leave, accommodation, discrimination, discipline, records, safety, workers' compensation, and benefits.

11.6 Business Continuity

The District shall maintain current emergency contacts, backups for essential roles, duplicate access to official systems, off-site or separated backups, alternate meeting and posting arrangements, and procedures for loss of facilities, technology, key personnel, or financial access. Continuity arrangements shall preserve Open Meeting Law, records, procurement, and warrant requirements.

12. GME, AHCCCS, Healthcare Education, and Community-Health Programs

12.1 Board Control and Program Classification

Every strategic program expenditure requires specific Board approval. The existence of a broad budget category, reserve, or maximum allocation does not authorize a payment, transfer, grant, award, IGA, or contract. The proposal shall be classified by its legal and economic substance, such as purchase of services, IGA transfer, matching contribution, grant, capital support, education agreement, or other program. The District should avoid the generic term 'community donation' unless counsel concludes that it is accurate and lawful.

12.2 Required Proposal Record

Before Board action, the sponsor shall provide the following information by email or in the Board packet:

- The need, population served, District benefit, geographic connection, and public purpose.
- The proposed recipient, partners, conflicts, qualifications, and financial condition.
- Legal authority and counsel's analysis, including Gift Clause and Title 48 considerations.
- Program scope, deliverables, measurable outcomes, reporting, audit access, and closeout.
- Amount, source of funds, budget category, cash timing, future-year exposure, and administrative cost.
- Selection method and why the arrangement provides fair and enforceable value to the District.
- Written agreement, payment conditions, unused-fund return, clawback, termination, records, insurance, and compliance terms.

12.3 GME and AHCCCS IGA Controls

An AHCCCS GME proposal shall identify the service year, eligible hospital or program, District non-federal share, estimated federal match and total payment, payment schedule, source-of-funds certification, AHCCCS and CMS approvals or contingencies, reimbursement or clawback risk, responsible parties, hospital benefit, residency positions, rural or local workforce effect, and records period.

- The Board motion shall state the exact IGA and maximum District amount.
- Counsel shall determine that the IGA is in proper form and within District authority before execution.
- The District shall independently verify that the money source satisfies the IGA and applicable federal and state restrictions.
- The agreement and recipient records shall allow the District to monitor funded positions, services, payment receipt, audit findings, and repayment exposure.
- The District shall calendar transfer deadlines, approvals, service period, reporting, and closeout.

COUNSEL REVIEW REQUIRED: Local, county, and tribal governments may provide money for certain GME matching arrangements under A.R.S. § 36-2903.01, but counsel must confirm that this Hospital District qualifies for the proposed role, that Title 48 authorizes the expenditure, and that the source and structure satisfy the current AHCCCS IGA and federal rules.

12.4 Healthcare Education and Workforce Programs

Education and workforce proposals may include residency development, clinical rotations, nursing or allied-health training, faculty support, equipment, simulation, recruitment, retention, scholarships, or community-health workforce initiatives. Each proposal shall tie the activity to a lawful District purpose and use enforceable deliverables rather than an unrestricted transfer.

- Scholarships or individual benefits require objective eligibility, selection, service or repayment terms where lawful, nondiscrimination, tax review, and conflict controls.
- Equipment funded for another entity shall have ownership, use, maintenance, insurance, access, and disposition terms.
- A hospital-affiliated recipient shall not select itself without an independently documented Board process and conflict review.

12.5 Community-Health Programs

A community-health initiative shall be based on documented needs and measurable District outcomes, such as access, prevention, maternal health, behavioral health, rural service capacity, workforce, emergency care, or health education. The agreement shall define the target population, location, services, reporting, budget, unused funds, and audit rights. General charitable worthiness is not enough by itself.

12.6 Monitoring, Payment, and Closeout

1. Assign a District program owner who is independent of the recipient when practical.
2. Use milestone, reimbursement, or other payment conditions proportionate to risk.
3. Require at least quarterly reporting for material programs unless the Board approves another schedule.
4. Compare deliverables, spending, and outcomes to the agreement before each payment.
5. Escalate nonperformance, questioned cost, conflict, or audit concern before further payment.
6. At closeout, document results, final accounting, asset status, unused funds, records custody, and any continuing obligations.

13. Insurance and Risk Management

13.1 Annual Risk Review

At least annually, the Board shall review material risks, claims, leases, property, programs, technology, financial controls, contracts, and coverage. The review should consider public-officials or directors-and-officers liability, general liability, property, cyber, crime and fidelity, employment practices, workers' compensation when applicable, automobile or non-owned auto, professional liability where relevant, and umbrella coverage.

13.2 Insurance Administration

- Maintain policies, endorsements, applications, schedules, certificates, claims instructions, broker correspondence, and renewal analysis.
- Calendar notice, cancellation, renewal, audit, and reporting deadlines.
- Confirm that applications and renewals are accurate and approved by an authorized signer.
- Compare lease and contract insurance duties to actual coverage and certificates.
- Report material changes in programs, property, staffing, technology, or contracts to the broker or carrier.

13.3 Incident and Claim Reporting

Any director, staff member, or contractor who learns of an injury, demand, subpoena, threat, cyber event, property loss, suspected crime, or circumstance reasonably likely to create a claim shall report it promptly. No person shall admit liability, promise payment, or destroy records. The Administrator shall notify counsel and the insurer as required, issue a hold, and maintain an incident file.

13.4 Contract Risk Transfer

Before execution, material contracts shall be reviewed for indemnity, defense, insurance, limitation of liability, waiver, data breach, professional responsibility, and sovereign or statutory protections. Certificates alone do not amend a deficient contract. The District shall not accept another party's risk allocation merely because it appears in a standard form.

13.5 Bylaw Indemnification

Indemnification, advancement of defense expenses, and insurance for a current or former director, officer, or employee shall be handled under Article VII of the bylaws and applicable law. No administrator may promise indemnification, admit coverage, settle a claim, or advance expenses without the case-specific determination and authorization required by the bylaws, together with counsel and insurer review.

14. Property, Assets, and Inventory

14.1 Asset Records

The District shall maintain an asset register for capital assets and controlled property. Controlled property includes laptops, tablets, phones, storage media, keys, access tokens, payment devices, records equipment, and any item whose loss creates security or operational risk regardless of cost.

The register shall include asset tag, description, serial number, acquisition date and cost, funding source, location, custodian, condition, warranty, lease or restriction, depreciation class if used, inventory date, and disposition. For Assessor Parcel Number 320-11-063 and the associated buildings, improvements, fixtures, and excluded medical equipment, the property definition in Appendix A to the current bylaws controls.

14.2 Receipt, Assignment, and Custody

The District's digital asset inventory shall identify the person receiving each item, the issue date, applicable accessories or credentials, and the return or disposition status. The recipient is responsible for reasonable care, security, and prompt loss reporting. District property shall not be permanently stored at a private location without documented need and approval. Records and security settings shall be configured before a device is issued.

14.3 Physical Inventory

At least annually, a person independent of day-to-day custody when practical shall verify each material and controlled asset, location, custodian, condition, and records. Differences shall be investigated and reported to the Board. Lease-related property shall be inventoried separately to distinguish District property from lessee property.

14.4 Loss, Damage, and Security

Loss, theft, damage, or unauthorized use shall be reported immediately. The District shall protect accounts and data, preserve evidence, notify law enforcement and insurance when appropriate, and determine repair, replacement, recovery, or corrective action. Personal reimbursement shall be determined only after factual and legal review.

14.5 Disposal

Disposal shall be authorized, documented, and conducted in a manner that protects value and public confidence. Records shall show the reason, condition, valuation or sales method, recipient or purchaser, proceeds, Board action when required, and data sanitization. No director, employee, contractor, or related party may receive surplus property through a preferential process. If the District is dissolved, District property shall transfer to Mohave County as provided in Article VIII of the bylaws and applicable law.

COUNSEL REVIEW REQUIRED: Counsel should confirm the method, notice, valuation, and approval required for disposal or transfer of District real property, lease assets, equipment, and property provided to a private party.

15. Transition Procedures for Directors, Staff, and Contractors

15.1 Transition Principle

District office and work belong to the public institution, not the individual. A departure shall not interrupt access to money, records, meetings, contracts, legal matters, technology, property, or statutory deadlines. Records may not be deleted, withheld, transferred to a successor outside the official repository, or used as leverage in a transition.

15.2 Planned Departure

When notice is available, the departing person and Administrator shall prepare a transition memorandum in the District's digital repository before the final service date. It shall list pending Board directives, deadlines, contacts, contracts, claims, public-records requests, legal holds, financial items, program obligations, credentials held, physical records, and property.

15.3 Access and Property Cutoff

- Disable or change access no later than the effective end of service, with earlier action when risk warrants.
- Preserve and transfer the mailbox, cloud files, texts, calendars, and device data before wiping or reassignment.
- Recover devices, cards, tokens, keys, seals, records, and other property.
- Remove forwarding rules, delegated access, payment authority, vendor portals, and administrator privileges.
- Update the website, public contacts, insurers, County Treasurer, County officials, banks, vendors, and agencies after required Board action.

15.4 Board Officer and Vacancy Transition

After an election, appointment, resignation, vacancy, or officer change, the District shall document the effective date, oath or qualification, Board organization, signature authority, statutory and County filings, access changes, and public notice. For a vacancy, the Board shall advertise the position on the District website, require each candidate to submit a letter of intent, and may appoint a qualified successor by a majority of the remaining directors to serve the balance of the term if the remaining directors constitute a quorum. If they do not, the Mohave County Board of Supervisors makes the appointment under A.R.S. § 48-1908. Vacancy and election questions shall be coordinated with Mohave County and District counsel under the bylaws and applicable election law.

15.5 Incoming Orientation

The incoming person shall receive only the access needed for the role; complete security, records, Open Meeting Law, conflict, and financial-control orientation; and review pending matters. Completion may be

noted in the ordinary account-provisioning, training, or Board records. No shared password shall be passed from the departing person when an individual account can be issued.

15.6 Unplanned or Adverse Departure

For an abrupt, disputed, or high-risk departure, the Chair or Vice-Chair, Administrator, counsel, and technology administrator shall immediately preserve records, secure systems and premises, recover property, notify insurers and financial institutions when needed, and identify a temporary custodian for essential functions. Personnel confidentiality and due process shall be maintained.

16. Policy Adoption, Amendment, Exceptions, and Review

16.1 Adoption

A new or materially revised policy shall be placed on a sufficiently specific agenda with the full text or a clear public means of access. The packet should identify the owner, purpose, changes, fiscal effect, operational effect, legal review, affected prior policies, implementation date, and training. The Board action shall identify the version and effective date.

16.2 Numbering and Version Control

Each policy shall have a unique number, title, owner, adoption date, effective date, revision history, review date, and superseded authority. The records custodian shall maintain one controlled current set and a complete archive of prior versions. Drafts shall be visibly labeled and shall not be placed in the adopted-policy folder.

16.3 Administrative Implementation

The Administrator may update a file path, contact, system setting, or other administrative detail that does not change authority, thresholds, legal rights, required records, or control objectives. Material changes require Board approval. Digital system changes that affect recordkeeping or approvals shall be documented through the system's configuration history or other ordinary audit trail.

16.4 Exceptions

A policy exception requires written authority from the Board unless the policy expressly delegates a narrow exception. The exception record shall state the policy, facts, duration, risk, conditions, and approving authority. No exception may waive law, conflict requirements, Board-reserved authority, or public-record obligations.

16.5 Review Cycle

High-risk subjects, including Open Meeting Law, finance, warrants, procurement, records, technology, GME and AHCCCS, insurance, lease administration, and transitions, should be reviewed at least annually. The full manual should be reviewed at least every three years and after a material legal, organizational, audit, lease, or operational change. The bylaws are controlled separately: Article X requires biennial review and an affirmative vote of three-fifths of the directors then in office to alter, amend, or repeal them, subject to Arizona law.

17. Counsel Review Before Adoption

The Board should ask District counsel to review the complete manual before adoption. The following subjects remain expressly reserved for legal review and should not be treated as settled merely because they appear in this draft:

- Bylaw and statutory alignment, including agenda submitters and deadlines, officer timing, Secretary eligibility, vacancies, notice methods, conflicts, and the relationship between the bylaws and later changes in law.
- Alignment with the final hospital lease, including chain of command, lessee communications, inspection, audit, notice, property, records, insurance, defaults, and program obligations.
- The legal scope of spending delegation and the proposed \$2,500, \$5,000, and \$25,000 internal thresholds, particularly in light of the two-director-signature requirement in Article VI, Section 5 of the bylaws.
- The exact warrant and County Treasurer process, including consolidated warrant registers, two-director signatures, electronic signatures, ACH, reimbursements, emergencies, corrections, and any credit card program under A.R.S. § 48-1915.
- The lawful process for budget amendments or transfers after submission under A.R.S. § 48-1914 and applicable expenditure-limit requirements.
- Any statutory, grant, lease, federal, or local procurement requirements that supplement the proposed competition tiers.
- IGA approval, attorney review, execution, effectiveness, amendment, filing, and payment requirements under A.R.S. § 11-952.
- Authority and legal structure for GME, AHCCCS, healthcare education, community-health, hospital-support, or other private-party transactions, including public purpose, Gift Clause consideration, funding eligibility, and repayment risk.
- Open Meeting Law implementation, public-records disclosure and withholding, retention, destruction, executive-session custody, digitization, and records held by contractors or other entities.
- Cybersecurity, breach notice, incident records, third-party account control, personnel administration, contractor classification, insurance, indemnification, property disposition, and transition obligations.

18. Primary Authorities and Drafting Sources

This is a practical source list, not a complete legal memorandum. Statutes and agency guidance should be checked again immediately before adoption.

- [A.R.S. § 48-1907, Powers of hospital district](#)
- [A.R.S. § 48-1908, Board composition, terms, vacancies, officers, and secretary](#)
- [A.R.S. § 48-1909, Director compensation and expenses](#)
- [A.R.S. § 48-1910, Board powers concerning hospital property](#)
- [A.R.S. § 48-1913, Limit of bonded indebtedness](#)
- [A.R.S. § 48-1914, Budget](#)
- [A.R.S. § 48-1915, Deposit and payment of District money](#)
- [A.R.S. § 11-952, Intergovernmental agreements and contracts](#)
- [A.R.S. §§ 38-431 through 38-431.09, Open Meeting Law](#)
- [Arizona Attorney General, Open Meeting Law resources and Agency Handbook Chapter 7](#)
- [A.R.S. § 38-503, Conflicts of interest](#)
- [A.R.S. §§ 39-121 and 39-121.01, Public records](#)
- [A.R.S. § 41-151.19, Records value and disposition](#)
- [Arizona State Library, Archives and Public Records, retention schedules](#)
- [Arizona Constitution, Article IX, § 7, Gift Clause](#)
- [A.R.S. § 36-2903.01, AHCCCS powers and GME](#)
- [AHCCCS, hospital reimbursement and Graduate Medical Education payments](#)
- [NIST Cybersecurity Framework 2.0](#)

District source: Current Bylaws as of April 14, 2026 supplied with this review. Draft 1.2 is conformed to those bylaws, subject to counsel review of statutory validity and any later amendment.

District source: HD1MC Spending Authority Policy Proposal supplied with this project. The proposal is treated as a drafting source, not as proof of adoption, and its thresholds are subordinate to the bylaws' two-director-signature requirement.

Operational context used in this draft includes current work on the FY27 budget, the statutory warrant process, AHCCCS GME IGAs, records digitization, public-records requests, Board-issued devices, the hospital lease, and leadership transition.