Posted
Friday,
November 13, 2026

PALOMAR HEALTH
Reimagining Healthcare

SPECIAL SESSION
BOARD OF DIRECTORS
Meeting Agenda

Monday, November 16, 2026
12:00 p.m.

Please See Page 2 For Meeting Location Options

	The Board may take action on any of the items listed below, including items specifically labeled "Informational Only"		Time	Target
Call To Order				**12:00**
I.	**Establishment of Quorum**		1	12:01
II.	**Public Comments**[1]		30	12:31
III.	***Approval of Bylaws, Charters, Resolutions and Other Actions*** *(ADD A)*			
	A. Code of Conduct (Redline Pp 6-17; Clean Pp 18-29)	Review/ Approve	10	12:41
	B. Palomar Health Board Bylaws (Pp 30-37)	Review/ Approve	32	1:13
IV.	**Grants Policy - *Discussion***		10	1:14
V.	**Review Items – *Informational Only*** *(ADD B)*			
	A. Legislative Update: ACHD Advocate (November 2026) *(Pp 39-43)*		5	1:24
	B. Lucidoc Board Policy Listing *(Pp 44)*		5	1:29
Final Adjournment				**1:30**

Note: If you need special assistance to participate in the meeting,
please call 760.740.6375, 72 hours prior to the meeting so that we may provide reasonable accommodations.

[1] 3 minutes allowed per speaker. For further details, see Request for Public Comment Process and Policy on page 3 of the agenda.

Special Session
Board of Directors
Meeting Location Options

Linda Greer Conference Room
2125 Citracado Parkway, Suite 300, Escondido, CA 92029

- **Elected Members of the Palomar Health Board of Directors will attend at this location, unless otherwise noticed below**

- **Other non-Board member attendees, and members of the public may also attend at this location**

https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1

Meeting ID: 223 586 360 330 86
Passcode: kd9ae2CB
or
Dial in using your phone at 929.352.2216; Access Code: 285 237 470#[1]

- **Non-Board member attendees, and members of the public may also attend the meeting virtually utilizing the above link**

- **An elected member of the Board of Directors will be attending the meeting virtually from these locations**

  - **4002 Vista Way, Oceanside, CA 92056**

[1] ***New to Microsoft Teams? Get the app now and be ready when your first meeting starts:*** Download Teams

PALOMAR HEALTH

DocID: 21790
Revision: 10
Status: Official

Source:

Applies to Facilities:
All Palomar Health Facilities

Applies to Departments:
Board of Directors

Policy : Public Comments and Attendance at Public Board Meetings

I. SUMMARY/INTENT:

A. It is the intention of the Palomar Health Board of Directors to hear public comment about any topic that is under its jurisdiction. This policy is intended to provide guidelines in the interest of conducting orderly, open public meetings while ensuring that the public is afforded ample opportunity to attend and to address the board at any meetings of the whole board or board committees.

II. DEFINITIONS:

A. None defined.

III. POLICY: COMPLIANCE - KEY ELEMENTS:

A. There will be one time period allotted for public comment at the start of the public meeting. Should the chair determine that further public comment is required during a public meeting, the chair can call for such additonal public comment immediately prior to the adjournment of the public meeting. Members of the public who wish to address the Board are asked to complete a Request for Public Comment form and submit to the Board Assistant prior to or during the meeting. The information requested shall be limited to name, address, phone number and subject, however, the requesting public member shall submit the requested information voluntarily. It will not be a condition of speaking.

B. Should Board action be requested, it is encouraged that the public requestor include the request on the *Request for Public Comment* as well. Any member of the public who is speaking is encouraged to submit written copies of the presentation.

C. The subject matter of any speaker must be germane to Palomar Health's jurisdiction.

D. Based solely on the number of speaking requests, the Board will set the time allowed for each speaker prior to the public sections of the meeting, but usually will not exceed 3 minutes per speaker, with a cumulative total of thirty minutes.

E. Questions or comments will be entertained during the "Public Comments" section on the agenda. All public comments will be limited to the designated times, including at all board meetings, committee meetings and board workshops.

F. All voting and non-voting members of a Board committee will be seated at the table. Name placards will be created as placeholders for those seats for Board members, committee members, staff, and scribes. Any other attendees, staff or public, are welcome to sit at seats that do not have name placards, as well as on any other chairs in the room. For Palomar Health Board meetings, members of the public will sit in a seating area designated for the public.

G. In the event of a disturbance that is sufficient to impede the proceedings, all persons may be excluded with the exception of newspaper personnel who were not involved in the disturbance in question.

H. The public shall be afforded those rights listed below (Government Code Section 54953 and 54954).

1. To receive appropriate notice of meetings;
2. To attend with no pre-conditions to attendance;
3. To testify within reasonable limits prior to ordering consideration of the subject in question;
4. To know the result of any ballots cast;
5. To broadcast or record proceedings (conditional on lack of disruption to meeting);
6. To review recordings of meetings within thirty days of recording; minutes to be Board approved before release,
7. To publicly criticize Palomar Health or the Board; and
8. To review without delay agendas of all public meetings and any other writings distributed at the meeting.

I. This policy will be reviewed and updated as required or at least every three years.

SPECIAL SESSION
BOARD OF DIRECTORS MEETING

Meeting will begin at 12:00 p.m.



Request for Public Comments

If you would like to make a public comment, submit your request by doing the following:

- **In Person: Submit a Public Comment Form, or verbally submit a request, to the Board Clerk**
- **Virtual: Enter your name and "Public Comment" in the chat function**

Those who submit a request will be called on during the Public Comments section and given 3 minutes to speak.

Public Comments Process

Pursuant to the Brown Act, the Board of Directors can only take action on items listed on the posted agenda. To ensure comments from the public can be made, there is a 30 minute public comments period at the beginning of the meeting. Each speaker who has requested to make a comment is granted three (3) minutes to speak. The public comment period is an opportunity to address the Board of Directors on agenda items or items of general interest within the subject matter jurisdiction of Palomar Health.

ADDENDUM A

PALOMAR HEALTH

DocID: 68552
Revision: 2
Status: Official

Source: Board of Directors (PH) : Palomar Health Board of Directors : Board of Directors

Policy : Board of Directors Code of Conduct

I. SUMMARY/INTENT

Preamble: Purpose of this Code

Palomar Health ("the District" or "Palomar Health") enjoys a community and state-wide reputation for integrity, honesty, and good faith in all dealings. Maintaining Palomar Health's reputation depends on maintaining the highest standards of conduct in all business endeavors. Palomar Health's Board of Directors (collectively, the "Board" and individually, a "Board Member") has a responsibility to lead by example, and act with truth, sincerity, and fairness in all decisions. This Code of Conduct ("Code") is intended to focus the Board and each Board Member on areas of ethical risk, to provide guidance to help Board Members recognize and deal with ethical issues, to provide mechanisms to report unethical conduct, and to foster a culture of honesty and accountability.

Each Board Member must comply with the letter and spirit of this Code. A fundamental aspect of strong elected leadership is a commitment to the highest ethical standards of conduct by Board Members. In recognition of this principle, the Board has adopted this Code. Every Board Member is expected to maintain and foster these standards and has an obligation to promptly disclose to the Chair of the Board and to Palomar Health General Counsel (hereafter "General Counsel") any action which is believed to be inconsistent with them. No code can anticipate every situation that may arise. Board Members are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Board Chair and General Counsel. To the extent this Code references statutes, regulations, case law, or policies subject to revision, amendment, or repeal by the relevant governing body or legal authority, this Code hereby incorporates such changes by reference herein.

II. DEFINITIONS

A. None Listed

III. BOARD MEMBER FIDUCIARY DUTIES

A. **Due Care**.

1. Board Members must perform their duties as members of the Board and committees in good faith, with sound business judgment and with the care, including reasonable inquiry, of an ordinarily prudent person. The Board and its committees take action as a body and Board Members' duties are exercised as a part of those bodies. The District's interests are served by full and open participation by all Board Members in meetings. Directors must conduct themselves professionally, with the highest standards of candor, good faith, and fair dealing in relation to the District and all its constituents. Directors may not knowingly disseminate false or misleading information, and must act promptly to correct erroneous communications for which they are responsible. Below is a list of non-exclusive examples of what the Duty of Care requires of a Board Member.
    a. Perform his or her duties in good faith, in what the Board Member believes is in the best interests of the District, and with the care expected of a prudent person engaged in similar activities:
    b. Attend and participate regularly at Board and committee meetings, conference calls, workshops, retreats, and training sessions;
    c. Comply with all applicable laws, regulations, and policies;
    d. Review and, if necessary, ask reasonable questions about important matters requiring Board action;
    e. Timely read all material distributed to the Board;
    f. Keep informed of work delegated to committees and serve usefully when assigned to committees;
    g. Question information provided to the Board where the validity of the information is subject to doubt;
    h. Participate in Board and committee discussions and contribute usefully to the analysis of proposals which come before the Board or committees;
    i. Respect the boundaries between the Board's role in policy development and oversight and the management or executive team's role in the implementation of Board policy; and

j. Act in good faith in making decisions guided by honest and fair business judgment.

B. **Loyalty.**

1. Board Members must be loyal and act at all times in the best interests of the District and its constituents. Their loyalty must be to the District and all its constituents, not just to one group of constituents. Board Members must also put the District and its constituents' good before his or her own personal interest. Once the Board has acted, a Board Member may seek change through Board action, but may not undermine public or District constituent confidence in the Board or the District. Below is a list of non-exclusive examples of what the Duty of Loyalty requires of a Board Member:
    a. Never use his or her position on the Board or a committee to make a personal profit;
    b. Disclose personal interest before Board or committee action on transactions involving real or apparent conflicts of interest or personal advantage in the transaction;
    c. Abstain from voting on actions where the Board Member has a conflict of interest (as outlined and defined below);
    d. See that conflicting interests are recognized and treated objectively;
    e. Be concerned that all constituents of the District are dealt with fairly;
    f. Protect the confidentiality of information received; and
    g. Do not use information gained while serving on the Board to personal advantage.

IV. CONFLICTS OF INTEREST[1]

A. Board Members must avoid any conflicts of interest with the District. A conflict exists when a Board Member's personal, business, or other direct or indirect interests or relationships interfere in any way with the interests of the District. Even if an actual conflict may not exist, the appearance of a conflict ("apparent conflict") is just as objectionable and should be dealt with as a conflict in most circumstances.

B. Business dealings that present actual or apparent conflicts between the interests of the District and those of a Board Member must be avoided and disclosed. Such conflicts may arise because of employment or business activities of a Director, Spouse, or Dependent Child (defined below). Directors must also avoid conflicts while serving on committees and either disclose such conflict and avoid participating in decisions which may involve a conflict of interest or the appearance of a conflict, or resign from the committee.

C. Disclosure of an actual or apparent conflict of interest should be promptly provided, so that appropriate action can be taken, including recusal from deliberations, voting, and chairing of applicable portions of Board or Committee meetings when necessary. In addition, Directors should promptly disclose before accepting appointments to the Board of Directors or the advisory board of any public or privately-held company, so that such appointments may be considered in accordance with the requirements of this Code.

D. While a Board Member must comply with his or her to duty disclose actual or apparent conflicts, where confusion or dispute exists as to the existence of a conflict or the requirements of this Code, General Counsel must so advise the Board. The Board must thereafter take action on General Counsel's advice, including but not limited to instituting a formal vote to exclude a Director who, in General Counsel's opinion, possesses an actual or apparent conflict upon which the Board must or will take action.

1. **Incorporation of Political Reform Act and Fair Political Practices Commission Regulations**.
    a. This Code hereby adopts by reference the California Political Reform Act of 1974 (hereafter "PRA") (California Government Code, Sections 81000 *et seq*.), which requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The definitions contained in the PRA are incorporated by reference into this Code. In the case of inconsistency with this Code and the PRA, the provisions of the PRA govern.
    b. This Code hereby adopts by reference the regulations of the Fair Political Practices Commission (hereafter "FPPC") (California Code of Regulations, Title 2, Division 6, Sections 18100, *et seq*.). The definitions contained in the FPPC are incorporated by reference into this Code. In the case of inconsistency with this Code and the FPPC, the provisions of the FPPC govern. The FPPC has adopted a regulation, California Code of Regulations, Title 2, Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the FPPC to conform to amendments in the PRA. Therefore, the terms of California Code of Regulations, Title 2, Section 18730 and any amendments to it duly adopted by the FPPC are likewise hereby incorporated by reference.
2. **Board Members with Positional Conflicts Adverse to the District.**
    a. A Board Member who directly participates in a personal capacity, or as an agent for entity, in anticipated or existing litigation adverse to Palomar Health[2] must disclose his or her positional conflict prior to any Board consideration of anticipated or existing litigation in closed session. *See* California Government Code, Section 54954.5.
    b. Thereafter, the Board may, by simple majority vote, vote to exclude the Board Member from Board consideration of the anticipated or existing litigation in closed session. *See* California Code of Regulations, Title 2, Section

18707(c) ("Nothing in the provisions of this regulation is intended to cause an agency or public official to make any disclosure that would reveal the confidences of a closed session or any other privileged information as contemplated by law including, but not limited to, the recognized privileges found [the FPPC]" or elsewhere in applicable federal or state law.).

3. **Statement of Economic Interest and Place of Filing**. Board Members are officials who manage public investments and are required to file a Statement of Economic Interest ("SEI").[3] *See* California Government Code, Section 87200 *et seq.*; California Code of Regulations, Title 2, Section 18701, subdivision (b). Board Members must file their SEI (Form 700) with the Palomar Health Chief Executive Officer or designee. The Palomar Health Chief Executive Officer or designee must make and retain a copy and forward the original to the San Diego County Board of Supervisors. The Palomar Health Chief Executive Officer or designee will make the Board Member SEIs available for public inspection and reproduction in accordance with California Government Code, Section 81008.
4. **Disclosure Categories of Reportable Economic Interests**.
   a. The PRA requires Board Members to file a SEI upon assumption of office, annually thereafter, and upon leaving office. California Government Code, Sections 87200-87210. The disclosure encompasses those reportable investments, business positions held, real property interests, income and its sources that might cause a financial conflict of interest to arise in the performance of the Board Member's duties for Palomar Health including, but not limited to, the following:
      i. Each investment in a business entity with a fair market value equal to or exceeding $2,000 or more;
      ii. Each interest in real property located within the local agency jurisdiction with a fair market value equal to or exceeding $2,000 or more (note: interest in real property does not include the filer's residence);
      iii. Each source of gross income of $500 or more (including loans) that is located in or doing business in the jurisdiction of the city; and
      iv. Any source of a gift or gifts aggregating $50 or more, whether or not the source is located in or does business in the jurisdiction.
   b. When disclosure of an interest is required, the Board Member has a duty to disclose the interest whether or not there is a pending or likely governmental decision involving the disclosed interest.
   c. The disclosure categories set forth below specify which kinds of economic interests are reportable. Each Board Member must disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned. It has been determined that the economic interests set forth in a Board Members disclosure categories are the kinds of economic interests that he or she foreseeably can affect materially through the conduct of his or her office.
      i. Category 1.
      I. All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments that are located in, do business in or own real property within the jurisdiction of Palomar Health.
      ii. Category 2.
      I. All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of Palomar Health.
      iii. Category 3.
      I. All investments and business positions in, and sources of income from, business entities that are engaged in land development, construction, or the acquisition or sale of real property within the jurisdiction of Palomar Health.
      iv. Category 4.
      I. All investments and business positions in, and sources of income from, business entities that are banking, savings and loan, or other financial institutions.
      v. Category 5.
      I. All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles, or equipment of a type purchased or leased by Palomar Health.
      vi. Category 6.
      I. All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles, or equipment of a type purchased or leased by the Designated Employee's Department.
      vii. Category 7.
      I. All financial interests in investment advisors and managers; financial services providers, actuaries, and those providing fiduciary services (including recordkeeping) to retirement plans.

E. **Procedure Regarding Disclosure and Voting on Actual or Apparent Conflict Following SEI Filing**.

1. California Government Code, Section 87105 requires all public officials who manage public investments, such as Board Members of Palomar Health (see below) to publicly identify and announce the financial interest that gives rise

to the conflict of interest or potential conflict of interest prior to the consideration of the matter. California Government Code, Section 87105(a)(1). If prior to a Board meeting, disclosure should be promptly given to the Board Chair and General Counsel. If during a Board meeting, disclosure should be promptly given immediately prior to the consideration of the matter.

2. If the Board's decision is to be made during an open session of a public meeting, the public identification must be made orally and be made part of the official public record. The Board Member must recuse himself or herself and leave the room after the identification is made. The Board Member may not be counted towards achieving a quorum while the item is discussed.
3. If a Board decision is made during a closed session, the Board Member conflict identification may be made orally during the open session before the body goes into closed session and must be limited to a declaration that his or her recusal is because of a conflict of interest under California Government Code, Section 87100. That declaration must be made part of the official record.
4. The Board Member may not be present when the decision is considered in closed session or knowingly obtain or review a recording or any other non-public information regarding the governmental decision. California Code of Regulations, Title 2, Section 18707(a)(2).

F. Board Members with Business Interests.

1. Any business entity in which the Board Member has a direct or indirect investment worth $2,000 or more is considered a financial interest if the business entity, or its parent or subsidiary, has an interest in real property in the jurisdiction, or does business or expects to do business, or has done business in the jurisdiction during the two years prior to the Board's action. California Government Code, Sections 87103(a), 82030(a) (imposing 2-year restriction); 82005 (definition of "business entity"); 82034 (definition of "investment"); and 82035 (defining "jurisdiction"). An indirect investment includes "any investment or interest owned by the spouse or dependent child of a public servant, by an agent on behalf of a public servant, or by a business entity or trust in which the public servant, the public servant's agents, spouse, and dependent children own directly, indirectly, or beneficially a ten percent interest or greater." California Government Code, Section 87103. *See also, Metropolitan Water Dist. v Fair Political Practices Comm'n*, 73 Cal.App.3d 650 (1977); *Commission on Cal. State Gov't Org. & Econ. v Fair Political Practices Comm'n*, 75 Cal.App.3d 716 (1977); *Witt v Morrow*, 70 Cal.App.3d 817 (1997). A business entity that is a parent or subsidiary, or is otherwise related to a business entity in which the official has an investment, is also included as an economic interest. California Government Code, Section 82034.

G. Board Member Spouses and Dependent Children.

1. Financial interests of a Board Member's spouse and dependent children are attributed to the Board Member. For example, direct or indirect investments or interests in business entities worth $2,000 or more constitute economic interests. California Government Code, Sections 87103(a), 87103(b). Indirect investments or interests include those owned by the Board Member's spouse and dependent children. California Government Code, Section 87103. A Board Member also has an economic interest in the Board Member's personal finances and those of the Board Member's "immediate family." California Code of Regulations, Title 2, Section 18700.1. The term "immediate family" means spouses and dependent children. California Government Code, Section 82029. For definition of "dependent children," see California Code of Regulations, Title 2, Section 18229.1. The term "spouse" includes "registered domestic partners" recognized by state law. California Code of Regulations, title 2, section 18229.

H. Board Members and Nonprofit Entities.

1. Financial interests in nonprofits are not exempt from the PRA or the FCCP. *See, e.g.*, California Code of Regulations, Title 2, Section 18700.1. Because Board Members are often active within the communities they serve, it is not uncommon for them to serve local charitable organizations in various capacities, either as an officer or member of the board of directors or as an employee. Such service, if it is for compensation however, can affect the Board Member's ability to participate in Palomar Health's decision making.
    a. A Board Member has a conflicting financial interest if it is reasonably foreseeable that a Board decision will have a material financial effect on a specified interest in any relevant business entity wherein the Board Member is an officer, member of the board of directors, or employee. *See* California Government Code, Section 87103. This is the case where the business entity is a source of income to the Board Member because he or she has received $500 or more from the business entity in the previous twelve months. California Code of Regulations, Title 2, Section 18700.1(a)(2). Those specified interests include service as a director, officer, partner, trustee, employee, or any position of management in any "business entity," including nonprofit entities. California Code of Regulations, Title 2, Section 18700.1(a)(2)(B).
    b. While a nonprofit is not a "business entity" as defined in California Government Code Section 82005, which is limited to entities operated for profit, *if* the Board Member receives payments from the nonprofit, such as a salary, stipend or meeting fees, the nonprofit would be a source of income to the Board Member, provided he or she received more than $500 in the previous twelve months. California Government Code, Section 87103. If a Board Member is compensated by a nonprofit, a Palomar Health decision will have a reasonably foreseeable financial effect on the Board Member's financial interest in the nonprofit if:
        i. The decision may result in an increase or decrease of the organization's annual gross receipts, or the value of the organization's assets or liabilities, in an amount equal to or more than:

I. $1,000,000; or
II. Five percent of the organization's annual gross receipts and the increase or decrease is equal to or greater than $10,000.

ii. The decision may cause the organization to incur or avoid additional expenses or to reduce or eliminate expenses in an amount equal to or more than:
I. $250,000; or
II. One percent of the organization's annual gross receipts and the change in expenses is equal to or greater than $2,500.

iii. California Code of Regulations, Title 2, Section 18702.3(a)(3). *See* California Code of Regulations, Title 2, Section 18702.2 for the relevant materiality standard for a financial interest in real property. For additional questions regarding Board Member activities and nonprofits, please consult General Counsel.

I. **No Hiring or Employment within Twelve Months of Board Service**.

1. Palomar Health will not hire or employ a former Board Member for a period of one year after their term of service as a Board Member has ended. This is to ensure compliance with PRA section 87406.3, which prohibits a local elected official, for a period of one year after leaving that office or employment, to act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to, that local government agency (in this case, Palomar Health), or any committee, subcommittee, or present member of that local government agency, or any officer or employee of the local government agency, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. For the avoidance of doubt, this provision is likewise applicable to an individual who is, at the time of the appearance or communication, an independent contractor of a local government agency or a public agency and is appearing or communicating on behalf of that agency.
2. "Administrative action" means the proposal, drafting, development, consideration, amendment, enactment, or defeat by any local government agency of any matter, including any rule, regulation, or other action in any regulatory proceeding, whether quasi-legislative or quasi-judicial. Administrative action does not include any action that is solely ministerial.
3. "Legislative action" means the drafting, introduction, modification, enactment, defeat, approval, or veto of any ordinance, amendment, resolution, report, nomination, or other matter by the legislative body of a local government agency or by any committee or subcommittee thereof, or by a member or employee of the legislative body of the local government agency acting in his or her official capacity.
4. For further guidance, please refer to a California Code of Regulations, Title 2, Section 18746.2; California Code of Regulations, Title 2, Section 18746.3.

J. **No Influence on Prospective Employment**.

1. Board Members will comply with the ban on influencing prospective employment, which prohibits any public official from making, participating in making, or influencing a governmental decision that directly relates to a prospective employer while negotiating or after reaching an employment arrangement.
2. For further guidance, please refer to California Government Code, Section 87407; California Code of Regulations, Title 2, Section 18747.

V. ROLES AND RESPONSIBILITIES OF INDIVIDUAL BOARD MEMBERS

A. Authority of Board Members.

1. Board Members have authority on behalf of the District only when acting as a body in regular or special meetings of the Board. An individual Board Member has no authority to bind the District or the Board by his or her statements or actions except when such statements or actions are authorized by the Board. An individual Board Member acting without authority creates potential personal liability exposure for his or her actions.

B. Board Member Responsibilities.

1. Serving as District Board Member involves a commitment and legal obligations. To meet that commitment and those obligations, Board Members are expected to:
   a. Monitor the adherence to the District's mission, policies, and all applicable laws;
   b. Attend and actively participate in all Board meetings, and to notify the Chair of anticipated absences;
   c. Review minutes and results of meetings;
   d. Do his or her homework to be prepared to participate fully in Board and committee meetings;
   e. Act only with the full Board, not individually, unless authorized to do so by the full Board;
   f. Speak for the full Board only when the full Board authorizes his or her doing so;
   g. Exhibit high ethical standards and integrity in all Board actions;
   h. Be an enthusiastic advocate for the District;

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i. Take responsibility and accountability for the District and all decisions made by the Board;
j. Be respectful of the time and responsibilities of the staff; and
k. Demonstrate willingness to work as a team with other Board Members and the management and executive team.

C. **Board Member Orientation.**[4]

1. ~~The management or executive team, acting through the~~ The administrative support staff of the District will formulate and provide an orientation program for all newly elected or appointed members of the Board. Such program may include, but not be limited to, the following components:
   a. Administration of the oath of office;
   b. Provision of the Bylaws and all other relevant policies of the District;
   ~~b.~~c. Obtaining of signatures of the Annual Board Member Acknowledgment of this Code of Conduct, as described herein;
   ~~c.~~d. Provision of copies of Board and Committee meeting minutes for the previous three- month period;
   ~~d. Provision of any Board of Directors Handbook;~~
   e. Organization of structured orientation meeting relative to roles, relationships and responsibilities of governance;
   f. Organization of individual meetings with ~~the CEO, any other officers, and~~ staff, as requested by the newly elected or appointed Board Member;
   g. Facilitation of tours of District facilities, as requested by the newly elected or appointed Board Member;
   ~~h. Procurement of subscriptions to publications that may be of interest and value;~~
   ~~i. Provision of information relative to District, third-party, or outside programs on hospital governance, when available; and~~
   ~~j.~~h. Facilitation of S~~s~~exual H~~h~~arassment Prevent, Ethics, and SB 827 Financial trainings ~~and ethics training~~ as required by law. *See* Government Code sections 12950.1, and 53232 *et seq*.

D. **Board Member Use of District Electronic Resources.**[5]

1. Board Members have access to District electronic resources and information, including but not limited to hardware, software, cloud-based computing platforms, and the like. Board Member access to District electronic resources and information is granted to each Board Member by the District as a privilege, not a right, to be used solely by a Board Member in the course and scope of his or her duties as a member of the Board.
   a. Board Members may not use or employ personal, electronic storage (hardware, software, or cloud-based), or personal email accounts, or any other personal electronic profile or platform which employs a unique login credential unassociated with the District, to conduct District business, or otherwise in the course and scope of a Board's Member's duties as a member of the Board.
   b. Board Members understand that a combination of his or her user unique I.D. and password (hereafter "login credentials") to access any District platform is confidential. Each Board Member understands and acknowledges that he or she may not grant to any other individual or group use or access to District electronic resources and information. In the event a Board Member believes his or her login credentials have been compromised, he or she will take all necessary steps to remedy the situation, including but not limited to immediately notifying the appropriate District administrative personnel, and working with such personnel as necessary, to rectify the breach.

E. **Board Member Receipt of Confidential Information.**[6]

1. Confidential information is non-public data that must not be disclosed due to its sensitive nature. A Board Member may access or be provided access to confidential information in the course and scope of his or her duties as a member of the Board, and must take all reasonable and appropriate steps to safeguard such information. Board Members agree to maintain the confidentiality of all discussions, deliberations, records and information related to such activities, and will not voluntarily disclose any such information to anyone except to persons authorized to receive the information in the conduct or peer review affairs or business of the District, or as otherwise required by law.
   a. Confidential Information Learned in Closed Session
      i. All information learned in closed session constitutes confidential information unless such information may be obtained from a public source, whose public nature is not due to improper disclosure. A Board Member receives and has access to confidential information during closed session meetings of the Board. A Board Member may not disclose confidential information acquired during or in preparation for such closed session conducted pursuant to the Brown Act, *see* California Government Code, Section 54950 *et seq*., to a person not entitled to receive it, unless (i) the Board, acting in an official capacity, expressly authorized the disclosure of that confidential information; or (ii) the Board Member is making confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law. Board Members agree and acknowledge that improperly disclosing confidential information acquired during closed session is a violation of law. *See* California Government Code, Section 54963.
   b. Patient Information

i. Board Members may have access to private and confidential information about patients who have been, are, or will be, patients of the District. Board Members agree to treat such information as confidential and agree not disclose it to any other party, except as necessary in the course and scope of his or her duties as a member of the Board and consistent with all applicable law.

ii. Board Members agree that they must implement, maintain and use appropriate administrative, technical and physical safeguards, in compliance with the Federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and any other applicable federal or state law, regulation, or policy, to prevent use or disclosure of patient Protected Health Information ("PHI") and Electronic Protected Health Information ("EPHI"), other than as required by law.

c. Quality Management

i. A Board Member's status as Board Member does not entitle that Board Member to access private and confidential information about patients who have been, are, or will be, patients of the District, whether that information is kept and maintained manually or electronically. In the course and scope of a Board Member's duties as a member of the Board, a Board Member may be provided with, or made aware of, confidential information derived from patient information, including but not limited to PHI or EPHI, in preparation for or in closed session, or for any other specific confidential purpose, on matters related to quality management or quality assurance, or existing litigation matters involving the District. Board Members agree to maintain the confidentiality of all discussions, deliberations, records and information related to these activities, and will not voluntarily disclose any such information to anyone except to persons authorized to receive the information in the conduct or peer review affairs or business of the District, or as otherwise required by law.

d. Employee, Consultant, and Medical Staff Information

i. Board Members may have access to private and confidential information concerning employees, consultants, or medical staff of the District. Board Members agree to treat such information as confidential and agree not disclose it to any other party, except as necessary for the performance of a Board Member in the course and scope of his or her duties as a member of the Board, or as otherwise required by law.

e. Consequence of Violations

i. Board Members understand and acknowledge that the District may subject a Board Member in violation of this section to disciplinary action as provided in this policy, any other applicable policy of the District, or as otherwise provided by law, including but not limited to injunctive relief to prevent the disclosure of confidential information, and referral to the grand jury.

F. **Board Member Request for Information.**[7]

1. Board Member request for information may be subject to Government Code section 54953.5(b) ("Any inspection of an audio or video recording shall be provided without charge on equipment made available by the local agency."); *see also* 64 Cal. Op. Att'y Gen. 317 (1981). Palomar must only maintain video or audio recordings of open and public meetings made "by or at the direction of the [Board]," for 30 days. *See id*.

a. All Board Member requests for information originating from any standing or ad-hoc Board Committee (hereafter "Board Committee") will be solely communicated by individual Board Committee Members to the Committee Chair and copied to the Board Chair (for informational purposes). Individual Board Committee Members will not directly request information from the management or the executive team, acting through the administrative staff of the District, nor from any District employee or consultant. The Committee Chair will determine if the information request is properly relevant to the function of the Committee and, if so, obtain the information from the management or the executive team, acting through the administrative staff of the District, to be presented to the Board Committee at the soonest available opportunity. If the Committee Chair determines that the information request is not relevant to the business of the Committee, the Committee Chair will place the information request on the agenda of an upcoming Committee Meeting on a list of information requests not accommodated and such list will formally appear in Committee Meeting Minutes.

b. All requests for information at the level of Board activities, including requests for information denied at the Board Committee level, may be communicated by individual Board Members to the Board Chair. Individual Board Members will not directly request information from the management or the executive team, acting through the administrative staff of the District, nor from any District employee or consultant. The Board Chair will determine if the information request is properly relevant to the function of the Board and, if so, obtain the information from the management or the executive team, acting through the administrative staff of the District, to be presented to the Board at the soonest available opportunity. If the Board Chair determines that the information request is not relevant to the business of the Board, the Board Chair will place the information request on the agenda as a potential action item of an upcoming Board Meeting on a list of information requests not accommodated and such list will formally appear in Board Meeting Minutes. If requested by any Board Member, the Board may determine by majority vote whether or not the Board wishes the management or the executive team, acting through the administrative staff of the District, to furnish the information requested. If the Board votes in favor of any information request, the Board Chair will obtain the information from the management or the executive

team, acting through the administrative staff of the District, on behalf of the Board acting with the authority of the Board. The information will be presented to the Board at the soonest available opportunity.

c. The management or the executive team, acting through the administrative staff of the District, will provide all information to the Board that is properly requested consistent with this policy by the Chair of the Board on behalf of the Board when acting as directed by the Board with the exception of requests that violate any applicable law.
d. This section is not intended to preclude a Board Member from filing a properly noticed and served California Public Records Act (hereafter, "CPRA") Request. However, Board Member requests for records may be subject to the limits of Government Code section 6254 (CPRA, Exemptions), as applicable.
e. No Board Member may use any District record in violation of Government Code Section 1098.
f. Board Members understand and acknowledge that the District may subject a Board Member in violation of this section to disciplinary action as provided in this policy, any other applicable policy of the District, or as otherwise provided by law, including but not limited to injunctive relief to prevent the disclosure of any District record, and referral to the grand jury.

G. **Board Member Management of Constituent Public Concerns.**[8]

1. When a Board Member is contacted by a constituent or member of the public who has a non-employee/non-staff concern or complaint about the District or persons within the District, the Board member will follow the following procedures:
    a. Remember that individual Board Members have no power or authority to speak or act for the full Board;
    b. Remember that Board Members may not address employee or staff complaints or grievances, which will be addressed in accordance with Palomar Health employee policies. Refer all employees and staff to personnel grievance policies and procedures;
    c. Remember that Board Members may not address complaints or grievances concerning employees or staff. Refer all complainants to Palomar Health complaint process and appropriate forms;
    d. To the extent the complaint is related to a Board Member, listen to the person's concern and refer the complainant to General Counsel or the Chair;
    e. Express a desire to reach a satisfactory solution;
    f. Assure the person that the General Counsel or the Chair will be informed of the concern and will provide resolution as needed; and
    g. Ask the General Counsel or the Chair to report back to you about the progress or resolution of the concern, if desired.

H. **Board Member Media Relations.**[9]

1. The Board wishes to ensure that accurate, complete, and consistent information is provided to the constituents of the District via the news media in a responsive manner that is compliant with state and federal laws, and safeguards patient privacy. For purposes of this policy, "media" or "news media" includes but is not limited to reporters or journalists, as well as social, print, radio, and other audio or web-based media platforms and their hosts. As a public entity, Palomar has an obligation, as well as a desire, to communicate with the public it serves.
    a. Board Members are encouraged to contact the District Marketing Department or specifically designated District media representative[10] before speaking or otherwise publishing to the media on matters of District business. This assists the Marketing Department or specifically designated District media representative to coordinate messaging, ascertain the nature of the media query (if any) and what prompted it, determine the most recent and relevant information to disseminate, and select among possible responses and spokespersons, whether District representatives or Board Members. A District Marketing Department or specifically designated media relationship representative will be available at all times to assist in this process; should a Board Member experience difficulty reaching either, the Board Member should raise the concern with the Chair and/or General Counsel.
    b. Board Members must be mindful of all applicable state and federal laws concerning the release of patient information.
        i. Personal Points of View
            I. When speaking about the District or about Board action, Board Members should be careful to define when or what portion of their remarks represent personal opinion and when or what of their remarks represent official Board position. For purposes of this policy, "official Board position" means factually recounting an official action taken by the Board at a special or regular Board meeting. Board Members must be aware that they are always perceived and recognized as Board members, even when they designate comments as personal. As such, Board Members must be mindful of their fiduciary duties of care and loyalty, and the consequences of a violation of either or both, in the context of any discussion with the media.
            II. All Board Members have the right to express their personal points of view regarding matters of general public concern. However, personal points of view may conflict with an official Board position. Therefore, Board Members who write letters to the editor may not use official District stationary or

letterhead, nor may a Board Member sign a letter or an email to the media employing or displaying his or her Board Member title, role, or indicating or communicating the fact of his or her Board Membership as indicative or illustrative of his or her position without explicitly stating that the views set forth in the letter do not represent official Board position, but are the Board Member's personal opinions, speaking in a personal capacity.

III. A similar disclaimer must be given if a Board Member addresses a public meeting, participates in a radio talk show, or is interviewed for radio or television or any similar social media platform, unless the Board Member is working with the District Marketing Department or specifically designated District media representative on a specific item of messaging, or communicating an official Board position in a factual manner.

c. Media Requests for Records

i. Media requests for records will be handled in accordance with this policy, to the extent it is consistent with the California Public Records Act ("CPRA"), the California Constitution, and all other applicable state and federal laws. *See, e.g.,* California Government Code, Section 6250 *et seq*., and Article I, Section 3(b) of the California Constitution. The records produced in response to media requests must be readily available for Board Member viewing upon request.

d. Privileged and Private Information

i. The vast majority of the records and affairs of District are public information which citizens, including the media, have the right to know. All public information should be provided to the press upon request without unnecessary delay.

ii. Some matters, however, like ongoing investigations, information regarding litigation or the threat of litigation, personnel issues, real estate transactions, medical and mental health matters, private data regarding citizens, documents in draft form, to name a few, are governed by privileges and laws intended to advance important public policy goals.

iii. When a media request for an interview or records appears to involve a subject matter that may be privileged or private, the Board Member must consult with General Counsel. The General Counsel will review the request without delay and promptly provide counsel to the Board Member.

I. **District Representation in Membership Organizations.**[11]

1. In the interest of fiscal accountability, organizations in which the District participates as a dues paying member, including trade associations, Governance 100, Volunteer Trustees, Adapt, etc. (hereafter "Membership Organizations"), will be periodically evaluated for compatibility with the District's mission as well as community and economic benefit. For those Membership Organizations who request representation from the Board on their governing body or other position, the Board must follow the following guidelines for the selection of a nominee.

a. All Membership Organizations will be periodically reviewed to ensure that:

i. Their mission is compatible with the mission of the District;

ii. The value to the District or community is commensurate with the dues or other expense; and

iii. Progress reports are provided on a regular basis by the District representative or Membership Organization.

b. Should a Membership Organization request representation from the Board on its governing body or other position, the following guidelines will apply:

i. Representatives are to be selected by a majority of the Board or, for brief, special assignments, by appointment of the Chair of the Board, who will notify the full Board;

ii. Assignments of representatives are to be made in a fair and equitable manner; and

iii. To ensure sufficient rotation, assignments will be reviewed on a regular basis.

c. Should the Membership Organization solicit input from the Board on legislation, such input will reflect the views of the majority of the Board, voting at an open session of a properly noticed meeting.

i. Copies of all letters provided to government representatives or concerning legislation must be provided to the Board.

ii. The District will not take positions on individual candidates.

d. District representatives selected in accordance with these guidelines in governing or other positions of influence within Membership Organizations will at all times act for the benefit of the District, not for any personal benefit.

e. Expenses associated with participation in Membership Organizations by a District representative selected in accordance with these guidelines will be at the cost of the Membership Organization and not the District.

f. To obtain the most value from the participation in Membership Organizations, all District representatives attending meetings of such organizations are to report to the full Board, verbally or in writing, about their participation at the meetings. In the event multiple District representatives attend, a single report will be adequate.

J. **Board Self-Evaluation**.

1. Performance accountability for the Board can only be maintained at a high level through regular self-evaluation of the Board's work. Therefore, the Board will annually or on a periodic basis conduct a written self-evaluation of the Board's performance for the past year set period of time as established by the Board, on a Board approved evaluation form. The evaluation will include, but not be limited to, determinations of the degree to which:
    a. The Board has supported the Palomar Health vision and guiding principles;
    b. The Board has complied with Palomar Health Bylaws;
    c. The Board has set clear goals and expectations arising from realistic strategic planning;
    d. The Board attends to policy-related decisions which effectively guide operational activities of staff;
    e. The Board receives regular reports on finance/budget, and business performance of business lines;
    f. The Board meetings facilitate focus and progress on important business matters;
    g. The Board regularly monitors and evaluates progress toward strategic business goals and product/program performance;
    h. The Board regularly evaluates and assists in the development of an effective management or executive team;
    i. The Board has approved comprehensive personnel policies which have been reviewed by a qualified professional; and
    j. The work of the Board has aided in:
        i. A strategic management process;
        ii. Fiscal responsibility;
        iii. Appropriate investment in employees and stakeholders; and
        iv. Enhanced, positive relationships with Palomar Health stakeholders.
    k. It will be the responsibility of the Chair to initiate the Board self-evaluation.

VI. ENFORCEMENT OF BOARD ETHICS AND POLICIES[12]

A. To protect the public interest, protect the District, protect the Board, and protect the rights of individual Board Members, the Board must address individual Board Member actions that constitute misconduct or malfeasance in office, violation of the law or public policy, violation of Board policy, or action harmful to the best interests of the District. This policy is intended to be consistent with, but not limited to, the provisions of California Government Code, Section 3060.

1. **Formal Procedures Regarding Board Member Misconduct.**
    a. Any Board Member may present a complaint in writing to the Chair and General Counsel for consideration concerning a fellow Board Member (hereafter "Subject Director"). If the complaint concerns the Chair, the complaint must be sent directly to the General Counsel and the General Counsel must take all actions below that are specifically designated for the Chair. The complaint must be specific in nature, associated with written materials if they are available and applicable, and directly relevant to the general issue of misconduct in office or violation of the law or policy as articulated above.
    b. The Chair must provide a copy of the written complaint to the Subject Director with notification that the Subject Director will have ten (10) days to respond in writing to the complaint. Following the expiration of the ten (10) day notice period, the Chair must cause the written complaint along with the Subject Director's response, if any, to be distributed to each member of the Board, including the Subject Director, with a formal copy to Palomar Health's General Counsel.
    c. At the next regular meeting of the Board (or at a special meeting of the Board called for this specific purpose), the Board must review the complaint and the Subject Director's response, if any. After providing the Subject Director with an opportunity to add anything to the Subject Director's written response and to answer any questions from Board members, the Board must excuse the Subject Director and make a determination whether investigation of the complaint and response is warranted or whether the Board has enough information to act upon the written complaint and response. If the Board determines that additional information is needed, the Board may conduct or direct such investigation as, in consultation with General Counsel, it determines to be warranted or, at the discretion of the Board, the Board, by the affirmative vote of a simple majority of four (4) Board Members, appoints among themselves a committee to conduct an investigation into the matter and report to the Board the committee's findings and recommendations. General Counsel must advise and assist the Board and, if appointed, such committee in conducting the investigation.
    d. The Subject Director must cooperate in all Board-sanctioned investigations, proceedings, and resulting requirements. The Subject Director must preserve and not destroy or discard any information or documents relevant to the subject matter of the investigation. The Subject Director must make reasonable efforts to resolve any issues as to confidentiality. Failure to cooperate in any investigation or proceeding is itself violation of this policy and an abdication of the Subject Director's duty of care and loyalty to the District.
2. **Resolution of Complaints to Board**.
    a. Following the completion of any investigation, the Board (or the committee, if one was appointed) must prepare a draft written report containing the investigation findings and a preliminary determination of the merits of the

complaint. The draft report will be distributed to the full Board, including the Subject Director. The Subject Director must have an opportunity to review the draft report and have ten (10) business days following receipt of the draft report to review the report and respond to the Board in writing either accepting or rejecting the findings and preliminary determination of the merits. Failure to provide a timely response constitutes acceptance of the report and any proposed actions.

b. As soon as practicable after the tenth (10th) day following distribution of the draft report, the full Board must meet to review the report and determine appropriate actions, including sanctions, if any. The Board may take into consideration the Subject Director's response prior to adopting a final report and determining the appropriate resolution of the complaint.
c. There is no appeal of the final written report and resolution of the complaint as determined by the Board.
d. A Board Member who files a complaint alleging violations that are determined by the Board to be frivolous in nature is subject to disciplinary action, up to and including sanctions as provided in this Code.
e. A complainant and Subject Director is entitled to a full and complete copy of the Board's final written report, including findings of fact and recommendation for sanctions, if any.
f. The failure or refusal of the Subject Director to accept delivery of a complaint or other documents relating to a complaint or investigation by the Board will not prevent the Board from taking any action against the Subject Director.

3. **Sanctions**.
   a. The Board may vote to enact sanctions against the Subject Director by the affirmative vote of a simple majority; where a full Board of seven (7) is seated, a simple majority is four (4) Board Members. A Board Member whose actions demonstrate misconduct or malfeasance in office, a violation of the law or public policy, a violation of Board policy, or an action harmful to the best interests of the District is subject to any or all of the following sanctions as determined by the Board of Directors, to the extent permitted by law or the Bylaws of Palomar Health:
      i. Public censure and disclosure of the violation and sanctions;
      ii. Cessation of eligibility to receive (i) meeting fees, (ii) District health and welfare benefits, and/or (iii) travel and incidental expenses reimbursement, as contemplated in the Bylaws of Palomar Health;
      iii. Removal of the Board member from any or all committee officer positions, committee memberships, or any current or future meeting where (i) the conduct of the Director or (ii) any other recusal action is discussed;
      iv. Formal request by the Board that the Subject Director resign as a Board member;
      v. Commencement of a lawsuit against the Subject Director for injunctive relief or for damages caused by breach of any applicable Palomar Health policies (for the avoidance of doubt, the Board has the discretion to compel the Subject Director to take part in confidential arbitration); and
      vi. Pursuit by the Board of the removal of the Subject Director.
   b. The Board will establish the appropriate sanctions and duration of such sanction in relation to each violation. The Board may implement any sanction listed above, or others considered appropriate, without regard to whether lesser sanctions have been imposed or considered. The following factors may be considered by the Board in determining the appropriate sanction(s) (this list is not to be considered exclusive or exhaustive):
      i. The seriousness of the violation and the expected resulting harm to the reputation or finances of the District;
      ii. The likelihood of repetition;
      iii. Prior violations by the Subject Director;
      iv. Whether the Subject Director or his/her relatives personally profited from the violation;
      v. The Subject Director's willingness to disclose the conduct; and
      vi. The Subject Director's efforts to mitigate any harm caused by such violation.

4. **Annual Board Member Acknowledgment**.
   a. General Counsel or the Chair will cause each Board member to undertake an annual acknowledgment of his or her understanding of the requirements of and compliance with this Code of Conduct at an open session of a duly called regular or special Board meeting.

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1 This Code supersedes and replaces the prior Palomar Health Conflict of Interest Code, No. 21800, but only as it pertains to Board Members.

2 "Litigation adverse to Palomar Health" occurs where a Board Member, acting in his or her personal capacity or as entity agent, finds him/herself/the entity party to a proceeding commenced in formal arbitration, by official agency action, or in a state or federal court, or where such a proceeding is threatened with a reasonable likelihood of proceeding, with Palomar Health's interests directly adverse to that Board Member.

[3] Board Members may contact the FPPC for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly or for any other reason. The FPPC makes the final determination whether a position is subject to California Government Code, Section 87200.

[4] Section 3.3 of this Code supersedes and replaces the prior Palomar Health Governing Body Orientation policy, No. 21797.

[5] Section 3.4 of this Code is in addition to, and must be interpreted consistent with, Palomar Health Email Access and Appropriate Use policy, No. 20310.

[6] Section 3.5 of this Code supersedes and replaces the prior Palomar Health Confidentiality Statement, No. 21799.

[7] Section 3.6 of this Code supersedes and replaces the prior Palomar Health Information Request by Board Members policy, No. 63356.

[8] Section 3.7 of this Code supersedes and replaces the prior Palomar Health Correspondence To or From Board Members policy, No. 21796.

[9] Section 3.8 of this Code supersedes and replaces the prior Palomar Health Media Relations policy, No. 21789, but only as it pertains to Board Members. Section 3.8 of this Code likewise supersedes and replaces the prior Palomar Health Correspondence To or From Board Members policy, No. 21796.

[10] For purposes of this policy, a "specifically designated District media representative" will be an employee or contractor of the District retained for a specific media purpose; the identity and responsibilities of the representative will be communicated to Board Members in a timely manner by the Board Chair or General Counsel.

[11] Section 3.9 of this Code supersedes and replaces the prior Palomar Health Membership Organizations and Board Representations policy, No. 21795.

[12] This foregoing supersedes and replaces the prior Palomar Health Board Member Misconduct and Sanctions policy, No. 63355.

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PALOMAR HEALTH

DocID: 68552
Revision: 1
Status: Official

Source: Board of Directors (PH) : Palomar Health Board of Directors : Board of Directors

Policy : Board of Directors Code of Conduct

I. SUMMARY/INTENT

Preamble: Purpose of this Code

Palomar Health ("the District" or "Palomar Health") enjoys a community and state-wide reputation for integrity, honesty, and good faith in all dealings. Maintaining Palomar Health's reputation depends on maintaining the highest standards of conduct in all business endeavors. Palomar Health's Board of Directors (collectively, the "Board" and individually, a "Board Member") has a responsibility to lead by example, and act with truth, sincerity, and fairness in all decisions. This Code of Conduct ("Code") is intended to focus the Board and each Board Member on areas of ethical risk, to provide guidance to help Board Members recognize and deal with ethical issues, to provide mechanisms to report unethical conduct, and to foster a culture of honesty and accountability.

Each Board Member must comply with the letter and spirit of this Code. A fundamental aspect of strong elected leadership is a commitment to the highest ethical standards of conduct by Board Members. In recognition of this principle, the Board has adopted this Code. Every Board Member is expected to maintain and foster these standards and has an obligation to promptly disclose to the Chair of the Board and to Palomar Health General Counsel (hereafter "General Counsel") any action which is believed to be inconsistent with them. No code can anticipate every situation that may arise. Board Members are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Board Chair and General Counsel. To the extent this Code references statutes, regulations, case law, or policies subject to revision, amendment, or repeal by the relevant governing body or legal authority, this Code hereby incorporates such changes by reference herein.

II. DEFINITIONS

A. None Listed

III. BOARD MEMBER FIDUCIARY DUTIES

A. **Due Care**.

1. Board Members must perform their duties as members of the Board and committees in good faith, with sound business judgment and with the care, including reasonable inquiry, of an ordinarily prudent person. The Board and its committees take action as a body and Board Members' duties are exercised as a part of those bodies. The District's interests are served by full and open participation by all Board Members in meetings. Directors must conduct themselves professionally, with the highest standards of candor, good faith, and fair dealing in relation to the District and all its constituents. Directors may not knowingly disseminate false or misleading information, and must act promptly to correct erroneous communications for which they are responsible. Below is a list of non-exclusive examples of what the Duty of Care requires of a Board Member.
    a. Perform his or her duties in good faith, in what the Board Member believes is in the best interests of the District, and with the care expected of a prudent person engaged in similar activities:
    b. Attend and participate regularly at Board and committee meetings, conference calls, workshops, retreats, and training sessions;
    c. Comply with all applicable laws, regulations, and policies;
    d. Review and, if necessary, ask reasonable questions about important matters requiring Board action;
    e. Timely read all material distributed to the Board;
    f. Keep informed of work delegated to committees and serve usefully when assigned to committees;
    g. Question information provided to the Board where the validity of the information is subject to doubt;
    h. Participate in Board and committee discussions and contribute usefully to the analysis of proposals which come before the Board or committees;
    i. Respect the boundaries between the Board's role in policy development and oversight and the management or executive team's role in the implementation of Board policy; and

j. Act in good faith in making decisions guided by honest and fair business judgment.

B. **Loyalty.**

1. Board Members must be loyal and act at all times in the best interests of the District and its constituents. Their loyalty must be to the District and all its constituents, not just to one group of constituents. Board Members must also put the District and its constituents' good before his or her own personal interest. Once the Board has acted, a Board Member may seek change through Board action, but may not undermine public or District constituent confidence in the Board or the District. Below is a list of non-exclusive examples of what the Duty of Loyalty requires of a Board Member:

   a. Never use his or her position on the Board or a committee to make a personal profit;

   b. Disclose personal interest before Board or committee action on transactions involving real or apparent conflicts of interest or personal advantage in the transaction;

   c. Abstain from voting on actions where the Board Member has a conflict of interest (as outlined and defined below);

   d. See that conflicting interests are recognized and treated objectively;

   e. Be concerned that all constituents of the District are dealt with fairly;

   f. Protect the confidentiality of information received; and

   g. Do not use information gained while serving on the Board to personal advantage.

IV. CONFLICTS OF INTEREST[1]

A. Board Members must avoid any conflicts of interest with the District. A conflict exists when a Board Member's personal, business, or other direct or indirect interests or relationships interfere in any way with the interests of the District. Even if an actual conflict may not exist, the appearance of a conflict ("apparent conflict") is just as objectionable and should be dealt with as a conflict in most circumstances.

B. Business dealings that present actual or apparent conflicts between the interests of the District and those of a Board Member must be avoided and disclosed. Such conflicts may arise because of employment or business activities of a Director, Spouse, or Dependent Child (defined below). Directors must also avoid conflicts while serving on committees and either disclose such conflict and avoid participating in decisions which may involve a conflict of interest or the appearance of a conflict, or resign from the committee.

C. Disclosure of an actual or apparent conflict of interest should be promptly provided, so that appropriate action can be taken, including recusal from deliberations, voting, and chairing of applicable portions of Board or Committee meetings when necessary. In addition, Directors should promptly disclose before accepting appointments to the Board of Directors or the advisory board of any public or privately-held company, so that such appointments may be considered in accordance with the requirements of this Code.

D. While a Board Member must comply with his or her to duty disclose actual or apparent conflicts, where confusion or dispute exists as to the existence of a conflict or the requirements of this Code, General Counsel must so advise the Board. The Board must thereafter take action on General Counsel's advice, including but not limited to instituting a formal vote to exclude a Director who, in General Counsel's opinion, possesses an actual or apparent conflict upon which the Board must or will take action.

1. **Incorporation of Political Reform Act and Fair Political Practices Commission Regulations**.

   a. This Code hereby adopts by reference the California Political Reform Act of 1974 (hereafter "PRA") (California Government Code, Sections 81000 *et seq*.), which requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The definitions contained in the PRA are incorporated by reference into this Code. In the case of inconsistency with this Code and the PRA, the provisions of the PRA govern.

   b. This Code hereby adopts by reference the regulations of the Fair Political Practices Commission (hereafter "FPPC") (California Code of Regulations, Title 2, Division 6, Sections 18100, *et seq*.). The definitions contained in the FPPC are incorporated by reference into this Code. In the case of inconsistency with this Code and the FPPC, the provisions of the FPPC govern. The FPPC has adopted a regulation, California Code of Regulations, Title 2, Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the FPPC to conform to amendments in the PRA. Therefore, the terms of California Code of Regulations, Title 2, Section 18730 and any amendments to it duly adopted by the FPPC are likewise hereby incorporated by reference.

2. **Board Members with Positional Conflicts Adverse to the District.**

   a. A Board Member who directly participates in a personal capacity, or as an agent for entity, in anticipated or existing litigation adverse to Palomar Health[2] must disclose his or her positional conflict prior to any Board consideration of anticipated or existing litigation in closed session. *See* California Government Code, Section 54954.5.

   b. Thereafter, the Board may, by simple majority vote, vote to exclude the Board Member from Board consideration of the anticipated or existing litigation in closed session. *See* California Code of Regulations, Title 2, Section

18707(c) ("Nothing in the provisions of this regulation is intended to cause an agency or public official to make any disclosure that would reveal the confidences of a closed session or any other privileged information as contemplated by law including, but not limited to, the recognized privileges found [the FPPC]" or elsewhere in applicable federal or state law.).

3. **Statement of Economic Interest and Place of Filing**. Board Members are officials who manage public investments and are required to file a Statement of Economic Interest ("SEI").[3] *See* California Government Code, Section 87200 *et seq.*; California Code of Regulations, Title 2, Section 18701, subdivision (b). Board Members must file their SEI (Form 700) with the Palomar Health Chief Executive Officer or designee. The Palomar Health Chief Executive Officer or designee must make and retain a copy and forward the original to the San Diego County Board of Supervisors. The Palomar Health Chief Executive Officer or designee will make the Board Member SEIs available for public inspection and reproduction in accordance with California Government Code, Section 81008.
4. **Disclosure Categories of Reportable Economic Interests**.
   a. The PRA requires Board Members to file a SEI upon assumption of office, annually thereafter, and upon leaving office. California Government Code, Sections 87200-87210. The disclosure encompasses those reportable investments, business positions held, real property interests, income and its sources that might cause a financial conflict of interest to arise in the performance of the Board Member's duties for Palomar Health including, but not limited to, the following:
      i. Each investment in a business entity with a fair market value equal to or exceeding $2,000 or more;
      ii. Each interest in real property located within the local agency jurisdiction with a fair market value equal to or exceeding $2,000 or more (note: interest in real property does not include the filer's residence);
      iii. Each source of gross income of $500 or more (including loans) that is located in or doing business in the jurisdiction of the city; and
      iv. Any source of a gift or gifts aggregating $50 or more, whether or not the source is located in or does business in the jurisdiction.
   b. When disclosure of an interest is required, the Board Member has a duty to disclose the interest whether or not there is a pending or likely governmental decision involving the disclosed interest.
   c. The disclosure categories set forth below specify which kinds of economic interests are reportable. Each Board Member must disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned. It has been determined that the economic interests set forth in a Board Members disclosure categories are the kinds of economic interests that he or she foreseeably can affect materially through the conduct of his or her office.
      i. Category 1.
      I. All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments that are located in, do business in or own real property within the jurisdiction of Palomar Health.
      ii. Category 2.
      I. All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of Palomar Health.
      iii. Category 3.
      I. All investments and business positions in, and sources of income from, business entities that are engaged in land development, construction, or the acquisition or sale of real property within the jurisdiction of Palomar Health.
      iv. Category 4.
      I. All investments and business positions in, and sources of income from, business entities that are banking, savings and loan, or other financial institutions.
      v. Category 5.
      I. All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles, or equipment of a type purchased or leased by Palomar Health.
      vi. Category 6.
      I. All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles, or equipment of a type purchased or leased by the Designated Employee's Department.
      vii. Category 7.
      I. All financial interests in investment advisors and managers; financial services providers, actuaries, and those providing fiduciary services (including recordkeeping) to retirement plans.

E. **Procedure Regarding Disclosure and Voting on Actual or Apparent Conflict Following SEI Filing**.

1. California Government Code, Section 87105 requires all public officials who manage public investments, such as Board Members of Palomar Health (see below) to publicly identify and announce the financial interest that gives rise

to the conflict of interest or potential conflict of interest prior to the consideration of the matter. California Government Code, Section 87105(a)(1). If prior to a Board meeting, disclosure should be promptly given to the Board Chair and General Counsel. If during a Board meeting, disclosure should be promptly given immediately prior to the consideration of the matter.

2. If the Board's decision is to be made during an open session of a public meeting, the public identification must be made orally and be made part of the official public record. The Board Member must recuse himself or herself and leave the room after the identification is made. The Board Member may not be counted towards achieving a quorum while the item is discussed.
3. If a Board decision is made during a closed session, the Board Member conflict identification may be made orally during the open session before the body goes into closed session and must be limited to a declaration that his or her recusal is because of a conflict of interest under California Government Code, Section 87100. That declaration must be made part of the official record.
4. The Board Member may not be present when the decision is considered in closed session or knowingly obtain or review a recording or any other non-public information regarding the governmental decision. California Code of Regulations, Title 2, Section 18707(a)(2).

F. Board Members with Business Interests.

1. Any business entity in which the Board Member has a direct or indirect investment worth $2,000 or more is considered a financial interest if the business entity, or its parent or subsidiary, has an interest in real property in the jurisdiction, or does business or expects to do business, or has done business in the jurisdiction during the two years prior to the Board's action. California Government Code, Sections 87103(a), 82030(a) (imposing 2-year restriction); 82005 (definition of "business entity"); 82034 (definition of "investment"); and 82035 (defining "jurisdiction"). An indirect investment includes "any investment or interest owned by the spouse or dependent child of a public servant, by an agent on behalf of a public servant, or by a business entity or trust in which the public servant, the public servant's agents, spouse, and dependent children own directly, indirectly, or beneficially a ten percent interest or greater." California Government Code, Section 87103. *See also, Metropolitan Water Dist. v Fair Political Practices Comm'n*, 73 Cal.App.3d 650 (1977); *Commission on Cal. State Gov't Org. & Econ. v Fair Political Practices Comm'n*, 75 Cal.App.3d 716 (1977); *Witt v Morrow*, 70 Cal.App.3d 817 (1997). A business entity that is a parent or subsidiary, or is otherwise related to a business entity in which the official has an investment, is also included as an economic interest. California Government Code, Section 82034.

G. Board Member Spouses and Dependent Children.

1. Financial interests of a Board Member's spouse and dependent children are attributed to the Board Member. For example, direct or indirect investments or interests in business entities worth $2,000 or more constitute economic interests. California Government Code, Sections 87103(a), 87103(b). Indirect investments or interests include those owned by the Board Member's spouse and dependent children. California Government Code, Section 87103. A Board Member also has an economic interest in the Board Member's personal finances and those of the Board Member's "immediate family." California Code of Regulations, Title 2, Section 18700.1. The term "immediate family" means spouses and dependent children. California Government Code, Section 82029. For definition of "dependent children," see California Code of Regulations, Title 2, Section 18229.1. The term "spouse" includes "registered domestic partners" recognized by state law. California Code of Regulations, title 2, section 18229.

H. Board Members and Nonprofit Entities.

1. Financial interests in nonprofits are not exempt from the PRA or the FCCP. *See, e.g.*, California Code of Regulations, Title 2, Section 18700.1. Because Board Members are often active within the communities they serve, it is not uncommon for them to serve local charitable organizations in various capacities, either as an officer or member of the board of directors or as an employee. Such service, if it is for compensation however, can affect the Board Member's ability to participate in Palomar Health's decision making.
    a. A Board Member has a conflicting financial interest if it is reasonably foreseeable that a Board decision will have a material financial effect on a specified interest in any relevant business entity wherein the Board Member is an officer, member of the board of directors, or employee. *See* California Government Code, Section 87103. This is the case where the business entity is a source of income to the Board Member because he or she has received $500 or more from the business entity in the previous twelve months. California Code of Regulations, Title 2, Section 18700.1(a)(2). Those specified interests include service as a director, officer, partner, trustee, employee, or any position of management in any "business entity," including nonprofit entities. California Code of Regulations, Title 2, Section 18700.1(a)(2)(B).
    b. While a nonprofit is not a "business entity" as defined in California Government Code Section 82005, which is limited to entities operated for profit, *if* the Board Member receives payments from the nonprofit, such as a salary, stipend or meeting fees, the nonprofit would be a source of income to the Board Member, provided he or she received more than $500 in the previous twelve months. California Government Code, Section 87103. If a Board Member is compensated by a nonprofit, a Palomar Health decision will have a reasonably foreseeable financial effect on the Board Member's financial interest in the nonprofit if:
        i. The decision may result in an increase or decrease of the organization's annual gross receipts, or the value of the organization's assets or liabilities, in an amount equal to or more than:

I. $1,000,000; or

II. Five percent of the organization's annual gross receipts and the increase or decrease is equal to or greater than $10,000.

ii. The decision may cause the organization to incur or avoid additional expenses or to reduce or eliminate expenses in an amount equal to or more than:

I. $250,000; or

II. One percent of the organization's annual gross receipts and the change in expenses is equal to or greater than $2,500.

iii. California Code of Regulations, Title 2, Section 18702.3(a)(3). *See* California Code of Regulations, Title 2, Section 18702.2 for the relevant materiality standard for a financial interest in real property. For additional questions regarding Board Member activities and nonprofits, please consult General Counsel.

I. **No Hiring or Employment within Twelve Months of Board Service**.

1. Palomar Health will not hire or employ a former Board Member for a period of one year after their term of service as a Board Member has ended. This is to ensure compliance with PRA section 87406.3, which prohibits a local elected official, for a period of one year after leaving that office or employment, to act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to, that local government agency (in this case, Palomar Health), or any committee, subcommittee, or present member of that local government agency, or any officer or employee of the local government agency, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. For the avoidance of doubt, this provision is likewise applicable to an individual who is, at the time of the appearance or communication, an independent contractor of a local government agency or a public agency and is appearing or communicating on behalf of that agency.
2. "Administrative action" means the proposal, drafting, development, consideration, amendment, enactment, or defeat by any local government agency of any matter, including any rule, regulation, or other action in any regulatory proceeding, whether quasi-legislative or quasi-judicial. Administrative action does not include any action that is solely ministerial.
3. "Legislative action" means the drafting, introduction, modification, enactment, defeat, approval, or veto of any ordinance, amendment, resolution, report, nomination, or other matter by the legislative body of a local government agency or by any committee or subcommittee thereof, or by a member or employee of the legislative body of the local government agency acting in his or her official capacity.
4. For further guidance, please refer to a California Code of Regulations, Title 2, Section 18746.2; California Code of Regulations, Title 2, Section 18746.3.

J. **No Influence on Prospective Employment**.

1. Board Members will comply with the ban on influencing prospective employment, which prohibits any public official from making, participating in making, or influencing a governmental decision that directly relates to a prospective employer while negotiating or after reaching an employment arrangement.
2. For further guidance, please refer to California Government Code, Section 87407; California Code of Regulations, Title 2, Section 18747.

V. ROLES AND RESPONSIBILITIES OF INDIVIDUAL BOARD MEMBERS

A. Authority of Board Members.

1. Board Members have authority on behalf of the District only when acting as a body in regular or special meetings of the Board. An individual Board Member has no authority to bind the District or the Board by his or her statements or actions except when such statements or actions are authorized by the Board. An individual Board Member acting without authority creates potential personal liability exposure for his or her actions.

B. Board Member Responsibilities.

1. Serving as District Board Member involves a commitment and legal obligations. To meet that commitment and those obligations, Board Members are expected to:
   a. Monitor the adherence to the District's mission, policies, and all applicable laws;
   b. Attend and actively participate in all Board meetings, and to notify the Chair of anticipated absences;
   c. Review minutes and results of meetings;
   d. Do his or her homework to be prepared to participate fully in Board and committee meetings;
   e. Act only with the full Board, not individually, unless authorized to do so by the full Board;
   f. Speak for the full Board only when the full Board authorizes his or her doing so;
   g. Exhibit high ethical standards and integrity in all Board actions;
   h. Be an enthusiastic advocate for the District;

i. Take responsibility and accountability for the District and all decisions made by the Board;
j. Be respectful of the time and responsibilities of the staff; and
k. Demonstrate willingness to work as a team with other Board Members and the management and executive team.

C. **Board Member Orientation.**[4]

1. The administrative support staff of the District will formulate and provide an orientation program for all newly elected or appointed members of the Board. Such program may include, but not be limited to, the following components:
   a. Administration of the oath of office;
   b. Provision of the Bylaws and all other relevant policies of the District;
   c. Obtaining of signatures of the Annual Board Member Acknowledgment of this Code of Conduct, as described herein;
   d. Provision of copies of Board and Committee meeting minutes for the previous three- month period;
   e. Organization of structured orientation meeting relative to roles, relationships and responsibilities of governance;
   f. Organization of individual meetings with staff, as requested by the newly elected or appointed Board Member;
   g. Facilitation of tours of District facilities, as requested by the newly elected or appointed Board Member;
   h. Facilitation of Sexual Harassment Prevent, Ethics, and SB 827 Financial trainingsas required by law. *See* Government Code sections 12950.1, and 53232 *et seq*.

D. **Board Member Use of District Electronic Resources.**[5]

1. Board Members have access to District electronic resources and information, including but not limited to hardware, software, cloud-based computing platforms, and the like. Board Member access to District electronic resources and information is granted to each Board Member by the District as a privilege, not a right, to be used solely by a Board Member in the course and scope of his or her duties as a member of the Board.
   a. Board Members may not use or employ personal, electronic storage (hardware, software, or cloud-based), or personal email accounts, or any other personal electronic profile or platform which employs a unique login credential unassociated with the District, to conduct District business, or otherwise in the course and scope of a Board's Member's duties as a member of the Board.
   b. Board Members understand that a combination of his or her user unique I.D. and password (hereafter "login credentials") to access any District platform is confidential. Each Board Member understands and acknowledges that he or she may not grant to any other individual or group use or access to District electronic resources and information. In the event a Board Member believes his or her login credentials have been compromised, he or she will take all necessary steps to remedy the situation, including but not limited to immediately notifying the appropriate District administrative personnel, and working with such personnel as necessary, to rectify the breach.

E. **Board Member Receipt of Confidential Information.**[6]

1. Confidential information is non-public data that must not be disclosed due to its sensitive nature. A Board Member may access or be provided access to confidential information in the course and scope of his or her duties as a member of the Board, and must take all reasonable and appropriate steps to safeguard such information. Board Members agree to maintain the confidentiality of all discussions, deliberations, records and information related to such activities, and will not voluntarily disclose any such information to anyone except to persons authorized to receive the information in the conduct or peer review affairs or business of the District, or as otherwise required by law.
   a. Confidential Information Learned in Closed Session
      i. All information learned in closed session constitutes confidential information unless such information may be obtained from a public source, whose public nature is not due to improper disclosure. A Board Member receives and has access to confidential information during closed session meetings of the Board. A Board Member may not disclose confidential information acquired during or in preparation for such closed session conducted pursuant to the Brown Act, *see* California Government Code, Section 54950 *et seq*., to a person not entitled to receive it, unless (i) the Board, acting in an official capacity, expressly authorized the disclosure of that confidential information; or (ii) the Board Member is making confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law. Board Members agree and acknowledge that improperly disclosing confidential information acquired during closed session is a violation of law. *See* California Government Code, Section 54963.
   b. Patient Information

i. Board Members may have access to private and confidential information about patients who have been, are, or will be, patients of the District. Board Members agree to treat such information as confidential and agree not disclose it to any other party, except as necessary in the course and scope of his or her duties as a member of the Board and consistent with all applicable law.

ii. Board Members agree that they must implement, maintain and use appropriate administrative, technical and physical safeguards, in compliance with the Federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and any other applicable federal or state law, regulation, or policy, to prevent use or disclosure of patient Protected Health Information ("PHI") and Electronic Protected Health Information ("EPHI"), other than as required by law.

c. Quality Management

i. A Board Member's status as Board Member does not entitle that Board Member to access private and confidential information about patients who have been, are, or will be, patients of the District, whether that information is kept and maintained manually or electronically. In the course and scope of a Board Member's duties as a member of the Board, a Board Member may be provided with, or made aware of, confidential information derived from patient information, including but not limited to PHI or EPHI, in preparation for or in closed session, or for any other specific confidential purpose, on matters related to quality management or quality assurance, or existing litigation matters involving the District. Board Members agree to maintain the confidentiality of all discussions, deliberations, records and information related to these activities, and will not voluntarily disclose any such information to anyone except to persons authorized to receive the information in the conduct or peer review affairs or business of the District, or as otherwise required by law.

d. Employee, Consultant, and Medical Staff Information

i. Board Members may have access to private and confidential information concerning employees, consultants, or medical staff of the District. Board Members agree to treat such information as confidential and agree not disclose it to any other party, except as necessary for the performance of a Board Member in the course and scope of his or her duties as a member of the Board, or as otherwise required by law.

e. Consequence of Violations

i. Board Members understand and acknowledge that the District may subject a Board Member in violation of this section to disciplinary action as provided in this policy, any other applicable policy of the District, or as otherwise provided by law, including but not limited to injunctive relief to prevent the disclosure of confidential information, and referral to the grand jury.

F. **Board Member Request for Information.**[7]

1. Board Member request for information may be subject to Government Code section 54953.5(b) ("Any inspection of an audio or video recording shall be provided without charge on equipment made available by the local agency."); *see also* 64 Cal. Op. Att'y Gen. 317 (1981). Palomar must only maintain video or audio recordings of open and public meetings made "by or at the direction of the [Board]," for 30 days. *See id*.

a. All Board Member requests for information originating from any standing or ad-hoc Board Committee (hereafter "Board Committee") will be solely communicated by individual Board Committee Members to the Committee Chair and copied to the Board Chair (for informational purposes). Individual Board Committee Members will not directly request information from the management or the executive team, acting through the administrative staff of the District, nor from any District employee or consultant. The Committee Chair will determine if the information request is properly relevant to the function of the Committee and, if so, obtain the information from the management or the executive team, acting through the administrative staff of the District, to be presented to the Board Committee at the soonest available opportunity. If the Committee Chair determines that the information request is not relevant to the business of the Committee, the Committee Chair will place the information request on the agenda of an upcoming Committee Meeting on a list of information requests not accommodated and such list will formally appear in Committee Meeting Minutes.

b. All requests for information at the level of Board activities, including requests for information denied at the Board Committee level, may be communicated by individual Board Members to the Board Chair. Individual Board Members will not directly request information from the management or the executive team, acting through the administrative staff of the District, nor from any District employee or consultant. The Board Chair will determine if the information request is properly relevant to the function of the Board and, if so, obtain the information from the management or the executive team, acting through the administrative staff of the District, to be presented to the Board at the soonest available opportunity. If the Board Chair determines that the information request is not relevant to the business of the Board, the Board Chair will place the information request on the agenda as a potential action item of an upcoming Board Meeting on a list of information requests not accommodated and such list will formally appear in Board Meeting Minutes. If requested by any Board Member, the Board may determine by majority vote whether or not the Board wishes the management or the executive team, acting through the administrative staff of the District, to furnish the information requested. If the Board votes in favor of any information request, the Board Chair will obtain the information from the management or the executive

team, acting through the administrative staff of the District, on behalf of the Board acting with the authority of the Board. The information will be presented to the Board at the soonest available opportunity.

c. The management or the executive team, acting through the administrative staff of the District, will provide all information to the Board that is properly requested consistent with this policy by the Chair of the Board on behalf of the Board when acting as directed by the Board with the exception of requests that violate any applicable law.

d. This section is not intended to preclude a Board Member from filing a properly noticed and served California Public Records Act (hereafter, "CPRA") Request. However, Board Member requests for records may be subject to the limits of Government Code section 6254 (CPRA, Exemptions), as applicable.

e. No Board Member may use any District record in violation of Government Code Section 1098.

f. Board Members understand and acknowledge that the District may subject a Board Member in violation of this section to disciplinary action as provided in this policy, any other applicable policy of the District, or as otherwise provided by law, including but not limited to injunctive relief to prevent the disclosure of any District record, and referral to the grand jury.

G. **Board Member Management of Constituent Public Concerns.**[8]

1. When a Board Member is contacted by a constituent or member of the public who has a non-employee/non-staff concern or complaint about the District or persons within the District, the Board member will follow the following procedures:
   a. Remember that individual Board Members have no power or authority to speak or act for the full Board;
   b. Remember that Board Members may not address employee or staff complaints or grievances, which will be addressed in accordance with Palomar Health employee policies. Refer all employees and staff to personnel grievance policies and procedures;
   c. Remember that Board Members may not address complaints or grievances concerning employees or staff. Refer all complainants to Palomar Health complaint process and appropriate forms;
   d. To the extent the complaint is related to a Board Member, listen to the person's concern and refer the complainant to General Counsel or the Chair;
   e. Express a desire to reach a satisfactory solution;
   f. Assure the person that the General Counsel or the Chair will be informed of the concern and will provide resolution as needed; and
   g. Ask the General Counsel or the Chair to report back to you about the progress or resolution of the concern, if desired.

H. **Board Member Media Relations.**[9]

1. The Board wishes to ensure that accurate, complete, and consistent information is provided to the constituents of the District via the news media in a responsive manner that is compliant with state and federal laws, and safeguards patient privacy. For purposes of this policy, "media" or "news media" includes but is not limited to reporters or journalists, as well as social, print, radio, and other audio or web-based media platforms and their hosts. As a public entity, Palomar has an obligation, as well as a desire, to communicate with the public it serves.
   a. Board Members are encouraged to contact the District Marketing Department or specifically designated District media representative[10] before speaking or otherwise publishing to the media on matters of District business. This assists the Marketing Department or specifically designated District media representative to coordinate messaging, ascertain the nature of the media query (if any) and what prompted it, determine the most recent and relevant information to disseminate, and select among possible responses and spokespersons, whether District representatives or Board Members. A District Marketing Department or specifically designated media relationship representative will be available at all times to assist in this process; should a Board Member experience difficulty reaching either, the Board Member should raise the concern with the Chair and/or General Counsel.
   b. Board Members must be mindful of all applicable state and federal laws concerning the release of patient information.
      i. Personal Points of View
         I. When speaking about the District or about Board action, Board Members should be careful to define when or what portion of their remarks represent personal opinion and when or what of their remarks represent official Board position. For purposes of this policy, "official Board position" means factually recounting an official action taken by the Board at a special or regular Board meeting. Board Members must be aware that they are always perceived and recognized as Board members, even when they designate comments as personal. As such, Board Members must be mindful of their fiduciary duties of care and loyalty, and the consequences of a violation of either or both, in the context of any discussion with the media.
         II. All Board Members have the right to express their personal points of view regarding matters of general public concern. However, personal points of view may conflict with an official Board position. Therefore, Board Members who write letters to the editor may not use official District stationary or

letterhead, nor may a Board Member sign a letter or an email to the media employing or displaying his or her Board Member title, role, or indicating or communicating the fact of his or her Board Membership as indicative or illustrative of his or her position without explicitly stating that the views set forth in the letter do not represent official Board position, but are the Board Member's personal opinions, speaking in a personal capacity.

III. A similar disclaimer must be given if a Board Member addresses a public meeting, participates in a radio talk show, or is interviewed for radio or television or any similar social media platform, unless the Board Member is working with the District Marketing Department or specifically designated District media representative on a specific item of messaging, or communicating an official Board position in a factual manner.

c. Media Requests for Records

i. Media requests for records will be handled in accordance with this policy, to the extent it is consistent with the California Public Records Act ("CPRA"), the California Constitution, and all other applicable state and federal laws. *See, e.g.,* California Government Code, Section 6250 *et seq*., and Article I, Section 3(b) of the California Constitution. The records produced in response to media requests must be readily available for Board Member viewing upon request.

d. Privileged and Private Information

i. The vast majority of the records and affairs of District are public information which citizens, including the media, have the right to know. All public information should be provided to the press upon request without unnecessary delay.

ii. Some matters, however, like ongoing investigations, information regarding litigation or the threat of litigation, personnel issues, real estate transactions, medical and mental health matters, private data regarding citizens, documents in draft form, to name a few, are governed by privileges and laws intended to advance important public policy goals.

iii. When a media request for an interview or records appears to involve a subject matter that may be privileged or private, the Board Member must consult with General Counsel. The General Counsel will review the request without delay and promptly provide counsel to the Board Member.

I. **District Representation in Membership Organizations.**[11]

1. In the interest of fiscal accountability, organizations in which the District participates as a dues paying member, including trade associations, Governance 100, Volunteer Trustees, Adapt, etc. (hereafter "Membership Organizations"), will be periodically evaluated for compatibility with the District's mission as well as community and economic benefit. For those Membership Organizations who request representation from the Board on their governing body or other position, the Board must follow the following guidelines for the selection of a nominee.

a. All Membership Organizations will be periodically reviewed to ensure that:

i. Their mission is compatible with the mission of the District;

ii. The value to the District or community is commensurate with the dues or other expense; and

iii. Progress reports are provided on a regular basis by the District representative or Membership Organization.

b. Should a Membership Organization request representation from the Board on its governing body or other position, the following guidelines will apply:

i. Representatives are to be selected by a majority of the Board or, for brief, special assignments, by appointment of the Chair of the Board, who will notify the full Board;

ii. Assignments of representatives are to be made in a fair and equitable manner; and

iii. To ensure sufficient rotation, assignments will be reviewed on a regular basis.

c. Should the Membership Organization solicit input from the Board on legislation, such input will reflect the views of the majority of the Board, voting at an open session of a properly noticed meeting.

i. Copies of all letters provided to government representatives or concerning legislation must be provided to the Board.

ii. The District will not take positions on individual candidates.

d. District representatives selected in accordance with these guidelines in governing or other positions of influence within Membership Organizations will at all times act for the benefit of the District, not for any personal benefit.

e. Expenses associated with participation in Membership Organizations by a District representative selected in accordance with these guidelines will be at the cost of the Membership Organization and not the District.

f. To obtain the most value from the participation in Membership Organizations, all District representatives attending meetings of such organizations are to report to the full Board, verbally or in writing, about their participation at the meetings. In the event multiple District representatives attend, a single report will be adequate.

J. **Board Self-Evaluation**.

1. Performance accountability for the Board can only be maintained at a high level through regular self-evaluation of the Board's work. Therefore, the Board will annually or on a periodic basis conduct a written self-evaluation of the Board's performance for the past year set period of time as established by the Board, on a Board approved evaluation form. The evaluation will include, but not be limited to, determinations of the degree to which:
    a. The Board has supported the Palomar Health vision and guiding principles;
    b. The Board has complied with Palomar Health Bylaws;
    c. The Board has set clear goals and expectations arising from realistic strategic planning;
    d. The Board attends to policy-related decisions which effectively guide operational activities of staff;
    e. The Board receives regular reports on finance/budget, and business performance of business lines;
    f. The Board meetings facilitate focus and progress on important business matters;
    g. The Board regularly monitors and evaluates progress toward strategic business goals and product/program performance;
    h. The Board regularly evaluates and assists in the development of an effective management or executive team;
    i. The Board has approved comprehensive personnel policies which have been reviewed by a qualified professional; and
    j. The work of the Board has aided in:
        i. A strategic management process;
        ii. Fiscal responsibility;
        iii. Appropriate investment in employees and stakeholders; and
        iv. Enhanced, positive relationships with Palomar Health stakeholders.
    k. It will be the responsibility of the Chair to initiate the Board self-evaluation.

VI. ENFORCEMENT OF BOARD ETHICS AND POLICIES[12]

A. To protect the public interest, protect the District, protect the Board, and protect the rights of individual Board Members, the Board must address individual Board Member actions that constitute misconduct or malfeasance in office, violation of the law or public policy, violation of Board policy, or action harmful to the best interests of the District. This policy is intended to be consistent with, but not limited to, the provisions of California Government Code, Section 3060.

1. **Formal Procedures Regarding Board Member Misconduct.**
    a. Any Board Member may present a complaint in writing to the Chair and General Counsel for consideration concerning a fellow Board Member (hereafter "Subject Director"). If the complaint concerns the Chair, the complaint must be sent directly to the General Counsel and the General Counsel must take all actions below that are specifically designated for the Chair. The complaint must be specific in nature, associated with written materials if they are available and applicable, and directly relevant to the general issue of misconduct in office or violation of the law or policy as articulated above.
    b. The Chair must provide a copy of the written complaint to the Subject Director with notification that the Subject Director will have ten (10) days to respond in writing to the complaint. Following the expiration of the ten (10) day notice period, the Chair must cause the written complaint along with the Subject Director's response, if any, to be distributed to each member of the Board, including the Subject Director, with a formal copy to Palomar Health's General Counsel.
    c. At the next regular meeting of the Board (or at a special meeting of the Board called for this specific purpose), the Board must review the complaint and the Subject Director's response, if any. After providing the Subject Director with an opportunity to add anything to the Subject Director's written response and to answer any questions from Board members, the Board must excuse the Subject Director and make a determination whether investigation of the complaint and response is warranted or whether the Board has enough information to act upon the written complaint and response. If the Board determines that additional information is needed, the Board may conduct or direct such investigation as, in consultation with General Counsel, it determines to be warranted or, at the discretion of the Board, the Board, by the affirmative vote of a simple majority of four (4) Board Members, appoints among themselves a committee to conduct an investigation into the matter and report to the Board the committee's findings and recommendations. General Counsel must advise and assist the Board and, if appointed, such committee in conducting the investigation.
    d. The Subject Director must cooperate in all Board-sanctioned investigations, proceedings, and resulting requirements. The Subject Director must preserve and not destroy or discard any information or documents relevant to the subject matter of the investigation. The Subject Director must make reasonable efforts to resolve any issues as to confidentiality. Failure to cooperate in any investigation or proceeding is itself violation of this policy and an abdication of the Subject Director's duty of care and loyalty to the District.
2. **Resolution of Complaints to Board**.
    a. Following the completion of any investigation, the Board (or the committee, if one was appointed) must prepare a draft written report containing the investigation findings and a preliminary determination of the merits of the

complaint. The draft report will be distributed to the full Board, including the Subject Director. The Subject Director must have an opportunity to review the draft report and have ten (10) business days following receipt of the draft report to review the report and respond to the Board in writing either accepting or rejecting the findings and preliminary determination of the merits. Failure to provide a timely response constitutes acceptance of the report and any proposed actions.

b. As soon as practicable after the tenth (10th) day following distribution of the draft report, the full Board must meet to review the report and determine appropriate actions, including sanctions, if any. The Board may take into consideration the Subject Director's response prior to adopting a final report and determining the appropriate resolution of the complaint.

c. There is no appeal of the final written report and resolution of the complaint as determined by the Board.

d. A Board Member who files a complaint alleging violations that are determined by the Board to be frivolous in nature is subject to disciplinary action, up to and including sanctions as provided in this Code.

e. A complainant and Subject Director is entitled to a full and complete copy of the Board's final written report, including findings of fact and recommendation for sanctions, if any.

f. The failure or refusal of the Subject Director to accept delivery of a complaint or other documents relating to a complaint or investigation by the Board will not prevent the Board from taking any action against the Subject Director.

3. **Sanctions**.

a. The Board may vote to enact sanctions against the Subject Director by the affirmative vote of a simple majority; where a full Board of seven (7) is seated, a simple majority is four (4) Board Members. A Board Member whose actions demonstrate misconduct or malfeasance in office, a violation of the law or public policy, a violation of Board policy, or an action harmful to the best interests of the District is subject to any or all of the following sanctions as determined by the Board of Directors, to the extent permitted by law or the Bylaws of Palomar Health:

i. Public censure and disclosure of the violation and sanctions;

ii. Cessation of eligibility to receive (i) meeting fees, (ii) District health and welfare benefits, and/or (iii) travel and incidental expenses reimbursement, as contemplated in the Bylaws of Palomar Health;

iii. Removal of the Board member from any or all committee officer positions, committee memberships, or any current or future meeting where (i) the conduct of the Director or (ii) any other recusal action is discussed;

iv. Formal request by the Board that the Subject Director resign as a Board member;

v. Commencement of a lawsuit against the Subject Director for injunctive relief or for damages caused by breach of any applicable Palomar Health policies (for the avoidance of doubt, the Board has the discretion to compel the Subject Director to take part in confidential arbitration); and

vi. Pursuit by the Board of the removal of the Subject Director.

b. The Board will establish the appropriate sanctions and duration of such sanction in relation to each violation. The Board may implement any sanction listed above, or others considered appropriate, without regard to whether lesser sanctions have been imposed or considered. The following factors may be considered by the Board in determining the appropriate sanction(s) (this list is not to be considered exclusive or exhaustive):

i. The seriousness of the violation and the expected resulting harm to the reputation or finances of the District;

ii. The likelihood of repetition;

iii. Prior violations by the Subject Director;

iv. Whether the Subject Director or his/her relatives personally profited from the violation;

v. The Subject Director's willingness to disclose the conduct; and

vi. The Subject Director's efforts to mitigate any harm caused by such violation.

4. **Annual Board Member Acknowledgment**.

a. General Counsel or the Chair will cause each Board member to undertake an annual acknowledgment of his or her understanding of the requirements of and compliance with this Code of Conduct at an open session of a duly called regular or special Board meeting.

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1 This Code supersedes and replaces the prior Palomar Health Conflict of Interest Code, No. 21800, but only as it pertains to Board Members.

2 "Litigation adverse to Palomar Health" occurs where a Board Member, acting in his or her personal capacity or as entity agent, finds him/herself/the entity party to a proceeding commenced in formal arbitration, by official agency action, or in a state or federal court, or where such a proceeding is threatened with a reasonable likelihood of proceeding, with Palomar Health's interests directly adverse to that Board Member.

[3] Board Members may contact the FPPC for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly or for any other reason. The FPPC makes the final determination whether a position is subject to California Government Code, Section 87200.

[4] Section 3.3 of this Code supersedes and replaces the prior Palomar Health Governing Body Orientation policy, No. 21797.

[5]Section 3.4 of this Code is in addition to, and must be interpreted consistent with, Palomar Health Email Access and Appropriate Use policy, No. 20310.

[6] Section 3.5 of this Code supersedes and replaces the prior Palomar Health Confidentiality Statement, No. 21799.

[7] Section 3.6 of this Code supersedes and replaces the prior Palomar Health Information Request by Board Members policy, No. 63356.

[8] Section 3.7 of this Code supersedes and replaces the prior Palomar Health Correspondence To or From Board Members policy, No. 21796.

[9] Section 3.8 of this Code supersedes and replaces the prior Palomar Health Media Relations policy, No. 21789, but only as it pertains to Board Members. Section 3.8 of this Code likewise supersedes and replaces the prior Palomar Health Correspondence To or From Board Members policy, No. 21796.

[10] For purposes of this policy, a “specifically designated District media representative” will be an employee or contractor of the District retained for a specific media purpose; the identity and responsibilities of the representative will be communicated to Board Members in a timely manner by the Board Chair or General Counsel.

[11] Section 3.9 of this Code supersedes and replaces the prior Palomar Health Membership Organizations and Board Representations policy, No. 21795.

[12] This foregoing supersedes and replaces the prior Palomar Health Board Member Misconduct and Sanctions policy, No. 63355.

BYLAWS OF PALOMAR HEALTH CARE DISTRICT
BOARD OF DIRECTORS

Purpose: To establish such rules and procedures not inconsistent with applicable governing laws and regulations, that in the opinion of the Board of Directors are appropriate to provide for the exercise of its authority, duties, and responsibilities.

ARTICLE I. DEFINITIONS

1.1 "Board" means the Board of Directors of the District.
1.2 "Board Member" means Member.
1.3 "Director" means a member of the Board
1.4 "District" and/or "PHD" means the Palomar Health Care District.
1.5 "Brown Act" means the Ralph M. Brown Act, see California Government Code § 54950 *et seq*. and California Health and Safety Code §§ 32106 and 32155.
1.6 "JPA" means the Palomar UCSD Health Authority, a joint powers authority by and between Palomar Health Care District and UCSD San Diego Health.

ARTICLE II. ORGANIZATION, POWERS, AND PURPOSES

2.1 Organization. The District is a political subdivision of the State of California organized under Division 23 of the Health and Safety Code ("Local Health Care District Law").
2.2 Purposes and Powers. The District is organized for the purposes described in the Local Health Care District Law and has and may exercise such powers in furtherance of its purposes as are now or may hereafter be set forth in the Local Health Care District Law and any other applicable statutes, rules, or regulations of the State of California or the United States, as applicable.
2.3 Bylaws, Policies and Procedures. The Board has the power to adopt, amend, and promulgate District Bylaws, policies, and procedures as appropriate.
2.4 Dissolution. Any proposal to dissolve the District is subject to confirmation by the voters of the District in accordance with Government Code section 56650 *et seq*.

ARTICLE III. OFFICES

3.1 Principal Office. The principal office of the District is currently located at 2125 Citracado Parkway Suite 300, Escondido, CA 92029
3.2 Other Offices. Branch or subordinate office may, at any time, be established by the Board at any place or places within the District.

ARTICLE IV. BOARD

4.1 **General Powers.** The Board is the governing body of the District. All District powers shall be exercised by or under the direction of the Board. The Board is authorized to make appropriate delegations of its powers and authority to officers and employees.

4.1.1 Each Individual Member is accountable to the Board and acts only as a part of the Board. Each individual Member works within the structure of the Board towards the establishment and oversight of the implementation of policies and monitoring of the District's performance with respect to governance, strategic direction, audit and finance, community engagement and advocacy.

4.1.2 Members of the Board of Directors will exercise authority with respect to the District and its affairs only when acting on behalf and at the direction of the Board of Directors. An exception is the Chair of the Board of Directors who may collaborate with designated administrative support staff regarding issues regarding the business of the District, including but not limited to, setting future Board meetings and their agendas. Members of the Board of Directors are not authorized to independently exercise management authority with respect to the District or its affairs except as expressly delegated by the Board.

4.2 **Board Specific Responsibilities:**

4.2.1 Regularly review, approve, and where appropriate, update, the mission and vision statements that guide the District.

4.2.2 Regularly review, approve, and where appropriate, update, all financial policies and plans for the District. This includes, but is not limited to, undertaking, approving, and publishing an annual audit.

4.2.3 Regularly review, approve, and where appropriate, update, a strategic plan, consistent with the District's mission and vision that aligns with the District's plans.

4.2.4 Establish and implement ethical policies that minimize conflicts of interest and ensure compliance with governmental, regulatory, and other agency standards, laws, and principles relative to excellent stewardship of the District.

4.2.5 Periodically evaluate the Board's performance

4.2.6 Appoint, Review, and Remove Palomar Health District representatives to the Palomar UCSD Health Authority Board of Directors.

4.2.7 Perform other duties as may be assigned or directed by the Board.

4.3 **Board Duties.** Members of the Board of Directors have duties as provided by applicable law, any Board-approved policy of the District, and Palomar Health's Board of Directors Code of Conduct ("Code of Conduct).

4.4 **Board Number and Qualification.** The Board shall consist of seven (7) members, each of whom shall be a registered voter residing in their designated Zone within the District.

4.5 **Conflict of Interests.** The Board will endeavor to eliminate from its decision-making process financial or other interests possessed by its members that conflict with the District's interests. Members shall, to the best of their ability, adhere to provisions of the Code of Conduct, and any and all laws and regulations relating to conflicts of interests, including but not limited to the Government Code or Health and Safety Code.

4.6 **Election and Term of Office.** Members are elected by zones within the District pursuant to maps as time to time passed by resolution. At the November 2026 General Election, four members of the Palomar Health District Board of Directors will be elected on a by-zone basis from the four odd numbered, single-member zones (specifically 1, 3, 5, and 7 as such zones may be amended), and every four years thereafter. At the General Election of November 2028, three members of the Palomar Health District Board of Directors will be elected by-zone basis from the three even numbered zones, single-member zones (specifically 2, 4, and 6 as such zones may be amended), and every four years thereafter. Any person appointed to fill a vacancy holds office for the remainder of the unexpired term.

4.7 **Oath of Office.** In compliance with the requirements of section 3, Article XX of the Constitution of the State of California, California Government Code section 1360, and District Resolution 9.14.87(02) all Members, as publicly elected officials of the State of California must take an oath of office.

4.7.1 Except where prohibited by law, the oath of office will be administered before the Member assumes office and may be accomplished by obtaining the Member's signature on a written copy of the oath. Should an official ceremony be preferred (such as oral recitation of the oath), the one administering the oath must be authorized to administer oaths, such as a notary public, a judicial officer, or other authorized individual.

4.7.2 All signed oath documents must be retained on file in the office of the Secretary of the District.

4.7.3 Consistent with California law, the District will not penalize an individual who fails to take the oath for bona fide, legally cognizable reasons. The absence of the oath of a Member does not undermine the acts of the Board as a whole. Actions of a Board taken with an unsworn Member are valid if the vote is such as would be valid in the absence of the unsworn Member, and in any event may be validated by adoption of a resolution which ratifies the past act of the Board.

4.8 **Board Compensation.** Directors shall be compensated at the maximum rate as authorized by the Local Health Care District Law, Section 32103, and as indicated in the Palomar Health Board of Directors Compensation and Reimbursement Policy, or applicable resolution.

4.9 **Orientation and Training:** An orientation consisting of materials will be provided to each newly seated Board Member which familiarizes them with his or her duties and responsibilities, including but not necessarily limited to, good governance practices, mandatory Sexual Harassment Prevention training, the Brown Act, Ethics training (AB 1234), Financial Training (SB 827), and the Code of Conduct.

4.9.1 Members must complete all applicable training mandated by Federal, State, and local law.

4.9.2 Members are expected to participate in the entire Board orientation process and additional ongoing training. Members who do not fulfill this participation expectation are subject to the provision of the Code of Conduct and may be subject to sanctions in accordance with such policy.

4.10 **Vacancies.** Board vacancies created by the events enumerated in Government Code Section 1770 (a) through (l) shall be filled in the manner prescribed by Government Code Section 1780. The Board may decide to fill the vacancy pursuant to an interview process, or without soliciting expressions of interest, 15 days following posting of the vacancy in three conspicuous places within the District. The person thus appointed shall assume all responsibilities including committee assignments of the replaced Board member.

4.11 **Resignation or Removal.** Any Board member may resign effective upon giving written notice to the Chair or the Secretary of the Board, unless the notice specifies a later time for the effectiveness of such resignation. Pursuant to California Health and Safety Code section 32100.2, the term of any member of the Board expires if the member is absent from three consecutive regular Board meetings or from three of any five consecutive regular meetings of the Board and if the Board by resolution declares that a vacancy exists on the Board. All or any of the Members of the Board may be recalled at any time by the voters following the recall procedure set forth in Division 16 of the Election Code.

4.12 **Liability Insurance.** The District must procure and maintain appropriate policies of insurance (which may include self-insurance) to the extent permitted or required by law.

4.13 **Indemnification of Directors and Officers**. The District may indemnify Members of the Board and officers to the full extent permitted and as required by law and as authorized by the Board against all claims, liabilities, and expenses incurred as a result of an action by the Board, except in the instance of willful misconduct in performance of duties.

4.14 **Health and Welfare Benefits**. The Board may provide health and welfare benefits, pursuant to Government Code section 53200 *et seq*., for the benefit of its elected and former members and their dependents, or permit its elected and former members and their dependents to participate in District programs for such benefits, in accordance with all applicable laws and regulations and current District policy.

ARTICLE V. BOARD MEETINGS

5.1 **Board Meeting**. A meeting of the Board is any congregation of a majority of the members at the same time and place to hear, discuss, or deliberate upon any item that is within the subject matter jurisdiction of the Board. A meeting is also the use of direct or indirect communications, personal intermediaries or technological devices employed by a majority of the Members of the Board to

develop a collective concurrence as to action to be made. Notwithstanding the foregoing and the duty of the Chair to form the agenda, additional items may be added to the agenda of a session as follows. First, a member of the Board may communicate directly or through technological devices with District counsel solely for the purpose of calling a special meeting, but not to discuss the substance of any such special meeting. If such a meeting is properly called for by a majority of the Board, the Board Chair, in conjunction with administrative support, must facilitate the process of scheduling and properly noticing the special meeting in a timely manner without undue delay and in such a way so as to allow for the attendance of as many Members as is practically possible. Second, at the conclusion of each general session, but prior to adjournment, there must be a period in which each Board member has the opportunity to propose topics for the next general session. The Board Chair must review proposal for addition to the agenda and, if the Chair elects not to add the topic, announce at the next general session the basis for the refusal. At that point, the Board may by majority vote add the topic to the following general session notwithstanding the decision of the Chair.

5.2 **Open to The Public.** In accordance with State law, all Board and committee meetings are open to the public, except as otherwise provided in applicable laws or regulations, including but not limited to the Brown Act and the Local Health Care District Law.

5.2.1 Members of the public must be afforded an opportunity to provide input to District processes and Board meetings to the extent permitted under applicable laws, including but not limited to the Brown Act and the Local Health Care District Law, as well as any applicable District policies.

5.2.2 Individuals wishing to address a matter not on a Board or committee agenda may also be heard during Public comments: however, in accordance with the law, no Board discussion or action can be taken on items not on the agenda. The Board has a policy limiting any speaker to no more than three minutes during Public Comments or to address a listed agenda item. Time may be extended at the discretion of the Board through the Chair or presiding officer.

5.2.3 In conformity with applicable law, the District does not require public comments to be submitted in advance of the meeting and provides an opportunity for the public to address the Board for a set, timed, public comment period, and will not close public comment until the assigned comment period has elapsed. Notwithstanding the foregoing, in the event that the time allotted to public comment has not elapsed, but there are no other registered public comments, the Board may proceed to other business, provided that the registration period for public comment remains open for the fully allotted time. Should a person register a comment after the Board has proceeded to other business but before the expiration of the time for public comment, the Board must immediately permit the public comment, only after which it may continue the business to which it proceeded. A registered comment received after the fully allotted time for public comment has elapsed is untimely, and may be submitted at the next scheduled session at the election of the person submitting the registration for public comment, such election to be noted in the submitted registration for public comment.

5.3 **Organizational Meeting.** At the Board meeting held annually in December, the Board shall elect of one of its members as Chair, one as Vice Chair, one as Secretary and one as Treasurer. The Board Chair, administrative support staff or District counsel will call for nominations for Board Chair. No vote shall be taken until all nominations have been made. Once all nominations are made, nominations shall be closed, and the vote shall be taken in public. As it relates to the organization meeting, also see Section 5.9.3 for prohibitions on vote-trading and requirements for ethical conduct.

5.4 **Regular Meeting**.

5.4.1 Regular meetings of the Board of Directors shall be held without giving notice to the Board members.

5.4.2 The Board must hold an annual organizational meeting on or around December, during which the Board must elect its officers for the next calendar year. One

member must be elected as Chair, one as Vice Chair, one as Secretary, and one as Treasurer.

5.4.3 At the annual organizational meeting, the Board must pass a resolution stating the dates, times, and places of the Board's regular monthly meetings for the following calendar year. The Board may later change the date, time, or location of a meeting upon resolution made at a regular Board meeting. Prior to the annual organizational meeting, a Board Calendar must be distributed to the Board for review and input. The Calendar must contain all events of significance that are known at that time, such significance to be determined by the Board, as well as proposed dates of Board meetings. Subsequently, a resolution will be prepared based on input received and will be presented for approval in December of each calendar year.

5.4.4 Notice, including the meeting's agenda, must be provided in accordance with Government Code section 54954.2(a)(1) at least 72 hours prior to the beginning of regular meetings.

5.4.5 The 72-hour requirement can be waived, and items can be added to regular meetings if any of the following criteria are met:

5.4.5.1 During the meeting, a majority of the Board determines that there is an emergency as defined by Government Code section 54956.5 which would give rise to the ability to call an emergency meeting as described below; or

5.4.5.2 If at least two thirds of the Board members are present, and by a vote of at least two thirds of those Board members present, the Board determines there is a need to take immediate action, and the need for action came to the attention of the District after the agenda was posted.

5.4.5.3 If less than two thirds of the Board members are present, and by a unanimous vote of those Board members present, the Board determines there is a need to take immediate action, and the need for action came to the attention of the District after the agenda was posted.

5.4.5.4 The item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item and at the prior meeting the item was continued to the meeting at which action is being taken, as allowed by Government Code section 54954.2.

5.5 **Special Meetings.** A special meeting may be called at any time by the Chair, or by four (4) Board members, by notice as required by Government Code section 54956. Such notice must be delivered personally or by mail which includes email or text at least twenty-four (24) hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting. Such written notice may be dispensed with as to any Board member who at, or prior to the time the meeting convenes, files with the Secretary a written waiver of notice. Such written notice may also be dispensed with as to any member who is present at the meeting at the time it convenes.

5.6 **Emergency Meetings.**

5.6.1 In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, such as a work stoppage, crippling activity, or another activity that severely impairs public health, safety, or both, as determined by a majority of the Board members, the Board may hold an emergency meeting without complying with either or both the 24-hour notice or posting requirements, provided it complies with the requirements defined in Government Code section 54956.5.

5.6.2 The minutes of an emergency meeting, a list of persons who the Chair or his or her designee notified or attempted to notify, a copy of the roll call vote and any actions taken at the meeting must be publicly posted for a minimum of ten days as soon possible after the meeting**.**

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5.7 **Quorum.** A majority of the members of the Board shall constitute a quorum for the transaction of business at any Board meeting except as otherwise required by law. The act of a majority of the Board members presents at a meeting at which a quorum is established shall be the act of the Board.

5.8 **Manner of Acting.** The act of a majority of the members of the Board present at a meeting at which a quorum is present is the act of the Board. No act taken at a meeting at which less than a quorum was present is valid. The Board may follow Robert's Rules of Order as guidance when taking action and obtaining information. Notwithstanding Robert's Rules of Order, the Board may take action on an item of new business provided the Board complies with all applicable law, including but not limited to the Brown Act.

5.9 **Disrupted Meetings.** In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of individuals who were willfully interrupting the meeting, the Board Chair may order the meeting room closed and continue in closed session for the remainder of the session, or until the Board Chair determines, in their reasonable discretion, that the session may return to open without disruption. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, must be allowed to attend any session held pursuant to this section. The Board Chair may establish a procedure for readmitting an individual or individuals not responsible for willfully disrupting the orderly conduct of the meeting.

5.10 **Adjournment.** The Board may adjourn any regular or special meeting to a time and place specified in the Order of Adjournment. If less than a quorum is present the meeting will be adjourned and no business shall take place. A copy of the Order or Notice of Adjournment shall be conspicuously posted on or near the door of the place where the meeting was held within twenty-four (24) hours after the time of the adjournment.

5.11 **Rules of Order.** Unless otherwise provided by law, these bylaws, or Board rules, Board meeting procedures shall be in accordance with Robert's Rules of Order. However, failures to follow Robert's Rules of Order shall not invalidate any action taken. The Chair may make and second motions and vote in the same manner as other Board members.

5.8 **Teleconferencing and Virtual Meetings.** The Board members shall be allowed to attend meetings via teleconferencing in accordance with Government Code Section 54953 as amended, including holding virtual meetings during a proclaimed state of emergency when state and local officials have imposed or recommended measures to promote social distancing. All meetings of the Board of Directors shall allow the public to access the meetings using an internet-based service option and a call-in option.

5.9 **Ethics and Transparency.**

5.9.1 Brown Act – All meetings and communications shall be conducted according to California open meeting laws, also known as the Brown Act.

5.9.2 Ethics – All meetings and communications shall be administered according to State law governing the requirements for ethical conduct on the part of public officials and public agencies.

5.9.3 Vote-Trading – California law prohibits public officials from asking for, receiving, or agreeing to receive bribes in exchange for their votes or other official actions, and also forbids them from giving, or offering or promising to give, "any official vote" in exchange for another public official's vote on the "same or another question." Like bribery, vote-trading is a form of a "you-do-this-for-me, I-will-do-this-for-you" practice. In Latin, this is known as a quid pro quo ("this for that"). Quid pro quos are legally risky. Any time a public official stops making decisions based on what is best for the public, the public-decision making process is compromised. Penalties for vote trading include "imprisonment in the state prison for two, three, or four years and…by a restitution fine of not less than $2,000 or not more than $10,000…" A conviction for vote-trading will also lead to an immediate loss of office and permanent disqualification from holding any office in the state.

5.9.4 In addition to the State requirement for elected officials to receive ethics training, financial

training the District additionally requires Directors to receive formalized training in State laws related to sexual harassment.

5.9.5 Directors not completing State-required ethics training within the timeframe required by law shall immediately forfeit any meeting stipends or travel reimbursements until compliance is achieved. Such stipends and reimbursements shall also be forfeited by Directors not completing District-required sexual harassment training with the same timeframe.

5.9.6 Orientation – New Directors shall receive an orientation from the District General Counsel and Administrative Staff Support regarding the Brown Act, prohibitions related to vote trading, the requirement to receive formal ethics training, and other laws governing the requirements for ethical conduct on the part of public officials and public agencies.

ARTICLE VI. COMMITTEES

6.1 **Appointment.** The Board Chair may form Board committees as needed. Any committee formed including special (ad hoc) shall have membership appointed by the Chair. Committees will have no expressed or implied power or authority except to make recommendations to the Board related to the Committee's purpose and duties. No committee shall have more than three (3) members and membership shall be designated by the Board Chair. The following focuses areas can be handled by a designated committee of up to three (3) members or by a Special Session Board of Directors Meeting:

6.1.1 Governance. This committee aims to oversee, establish, and monitor the effective and efficient management of the governmental processes of the Board including the Board of Directors self-assessment, compliance, Bylaw review, and board member orientation.

6.1.2 Community Health and Advocacy. This committee oversees community needs assessment, state/federal public advocacy and regional health equity initiatives, and strategic partnerships.

6.1.3 Strategic Planning. This committee generates and periodically monitors the Strategic Plan to uphold Palomar Health Care District's focus to improve the health of district residents.

6.1.4 Audit and Finance. This committee will review budgetary and financial documents relating to prudent investment and allocation of District funds. They will also review the annual audit before it is presented to the Board. This committee shall meet quarterly or as needed.

6.2 **Special Committees or Ad Hoc.** Special or Ad Hoc committees may be appointed by the Chair for special tasks as circumstances warrant, and upon completion of the task for which appointed such special or Ad Hoc committee shall stand discharged. The creation of an Ad Hoc committee must be announced by the Chair at the next regular Board meeting.

6.3 **Consultants.** A committee chairperson may invite additional individuals with expertise in a pertinent area to meet with and assist the committee. Such consultants shall not vote or be counted on in determining the existence of a quorum and may be excluded from any committee session. A committee chairperson may exclude any or all consultants from attending a committee meeting.

6.4 **Meetings and Notice.** Meetings of a committee may be called by the Chair of the Board or the Chairperson of the Committee. Each committee shall keep minutes of its proceedings and shall report periodically to the Board.

ARTICLE VII. OFFICERS

7.1 **Chair.** The Board shall elect one of its members as Chair at an organizational regular meeting, who shall hold office until a successor is elected. The term of office is one (1) year. The Chair must perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time, to include:

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7.1.1 Presiding over all meetings of the Board; this includes, but is not limited to, setting the content of the Board agenda, working with the Secretary, as well as Board or Corporate Counsel, as appropriate, to effectuate any notices as required by law.
7.1.2 Recognizing Members entitled to the floor.
7.1.3 Stating and putting to vote all questions which are regularly moved, or necessarily arise in the course of the proceedings, and to announce the result of the vote.
7.1.4 Protecting the Board from annoyance from irrelevant or improper motions through appropriate rules of order.
7.1.5 Assisting in the expediting of business in all ways compatible with the rights of the collective Board and its individual Members, and deciding all questions of order.
7.1.6 Informing the Board, when necessary, or when referred to for the purpose, on a point of order or practice pertinent to pending business.
7.1.7 Authenticating all the acts, orders, and proceedings of the Board, and declaring its will.
7.1.8 Coordinating with the District's administrative management for the implementation of Board direction and policies.
7.1.9 Designating and directing Members of the Board to undertake special responsibilities and to report to the Chair on those activities as directed.
7.1.10 Appointing Members of standing or ad-hoc committees with formal notification to the Board in a timely fashion and no later than the next meeting of the Board.
7.1.11 Representing the Board at official functions when necessary.
7.1.12 Serving as spokesperson for the Board regarding Board actions.
7.1.13 Providing regular updates to the Board regarding major activities within the District, using administrative support, as appropriate.
7.1.14 Implementing processes designed to facilitate the collective awareness of the Board regarding major activities within the District so that all individual board members are provided the opportunity to be equally informed.

7.2 **Vice Chair.** The Board shall elect one of its members as Vice Chair at an organizational meeting, who shall hold office until a successor is elected. In the absence of the Chair, the Vice Chair shall perform the duties of the Chair. The term of office is one (1) year.

7.3 **Secretary.** The Board shall elect one of its members as Secretary at an organizational meeting, who shall hold office until a successor is elected. The Secretary shall provide for the keeping of minutes of all meetings of the Board. The Secretary shall give or cause to be given appropriate notices in accordance with these Bylaws or as required by law and shall act as custodian of District records, reports, and the District's seal. The Assistant Secretary may act in the absence of the Secretary. The term of office is one (1) year.

7.4 **Treasurer.** The Board shall elect one of its members as Treasurer at an organizational meeting, who shall hold office until a successor is elected. The Treasurer shall be charged with the safekeeping and disbursal of the funds in the Treasury of the District. The Assistant Treasurer may act in the absence of the Treasurer. The term of office one (1) year.

7.5 **Tenure.** Each Board officer described above may serve a one-year term, commencing on the first day of January after the organizational meeting at which he or she is elected to the position. Each officer holds office until the end of the one-year term, or until a successor is elected, unless he or she sooner resigns or is removed from office. A Board Member may run for an officer position provided at least one term separates said Board Member's elected terms.

7.6 **Removal.** A Board officer described above may be removed from office by the affirmative vote of four members of the Board not counting the affected Board member. In addition, an officer described above will automatically be removed from office when his or her successor is elected and is sworn in as a Board member.

ADDENDUM B

ACHD

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ASSOCIATION OF CALIFORNIA HEALTHCARE DISTRICTS

THE ADVOCATE

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WHAT'S NEW IN NOVEMBER

CEO MESSAGE

Californians headed to the polls on November 3rd and ACHD has been tracking the results. **Sarah Bridge, Vice President, Advocacy & Strategy** breaks down the results in her message below.

With Election Day behind us, ACHD is laser-focused on the upcoming 2027 legislative session. The ACHD advocacy team will meet with our Advocacy Committee Chair this week to review the results from the ACHD Advocacy Survey and prepare a draft advocacy strategic plan for review by the full committee and the ACHD Board.

Be sure to join us for New Laws in 2027 on **Wednesday, December 16, from 2:00 to 3:00 p.m. PST. Sarah Bridge**, ACHD's Vice President of Advocacy & Strategy, and **Gail M. Blanchard Saiger**, Principal of Blanchard Saiger Law, will review the new bills signed into law that take effect January 1, 2027, including key legislative developments and employment and labor law changes affecting California healthcare districts. Sarah will also share insights into ballot initiative results and the political landscape in Sacramento, making this a timely session for district leaders and staff preparing for the new year. ACHD educational webinars are free for members.

As we embark upon the season of gratitude, please let me express how grateful we are for everything health care districts do to keep their communities healthy. Your leadership and dedication do not go unnoticed by our team, and we are proud to represent you in Sacramento. If we can be supportive or provide assistance in any way, please reach out to us directly.

With gratitude,

Cathy Martin
Chief Executive Officer



LEGISLATIVE UPDATE



The Legislature will convene for the 2027–28 session on December 7, 2026, when new members are sworn in. Governor-elect Becerra takes office in January, and his first budget proposal is due by January 10. ACHD is currently in its strategic planning process for the upcoming legislative session. Preliminary priorities heading into the new session include district finances and the Distressed Hospital Loan Program, healthcare workforce, digital software tax and new mandates, seismic compliance, the Office of Health Care Affordability, and support for community-based districts.

ACHD looks forward to rolling out a robust legislative platform and strategy to support California's healthcare districts in the coming years. Thank you to those who completed the ACHD Advocacy Survey to share your district's priorities. This information is crucial to our planning process.

2026 General Election Results

California voters elected Xavier Becerra governor on November 3, and Democrats are positioned to expand their supermajorities in both houses of the Legislature. The results below are preliminary as of November 4 and will change as counties finish counting ballots.

Governor and statewide offices

Former U.S. Secretary of Health and Human Services Xavier Becerra (D) defeated Steve Hilton (R), 63.9% to 36.1%. Becerra brings deep health policy experience to the office, including leading HHS through the COVID-19 vaccine rollout.

Office	Projected winner
Lieutenant Governor	Fiona Ma (D)
Attorney General	Rob Bonta (D), incumbent
Secretary of State	Shirley N. Weber (D), incumbent
Controller	Malia M. Cohen (D), incumbent
Treasurer	Eleni Kounalakis (D)
Insurance Commissioner	Jane Kim (D)
Superintendent of Public Instruction	Richard Barrera

The Legislature
Based on current leads, Democrats would hold 32 of 40 Senate seats (up from 30) and 64 of 80 Assembly seats (up from 60). Seats that could flip from Republican to Democratic include SD 36 (Chris Duncan), SD 40 (Mara Elliott), AD 7 (Amy Slavensky), AD 36 (Ida S. Obeso-Martinez), AD 47 (Leila Namvar), and AD 58 (Clarissa Cervantes). Several of these races are close, and SD 36 was separated by about 1,060 votes on Wednesday morning.

The 2027–28 session will bring a large class of new members. ACHD will reach out early to introduce healthcare districts and the communities they serve, and we encourage districts to connect with their newly elected legislators.

Statewide propositions

Several measures on the ballot affect healthcare funding and the tools available to local agencies.

Measure	Result	What it means for districts
Prop. 3: Make income taxes on higher earners permanent	Approved, 58.7%	Extends a tax that mainly funds K-12 schools and community colleges, with any excess directed to public healthcare.
Prop. 40: One-time 5% tax on billionaires for healthcare	Rejected, 44.4%	Would have raised an estimated $100 billion over five years, mostly for healthcare.
Prop. 42: Ban new taxes on personal property	Approved, 54.3%	Makes a future state wealth tax much harder to pass.
Prop. 43: Raise vote threshold for citizen special tax measures	Rejected, 45.1%	Citizen-initiated local special taxes can still pass by simple majority.
Prop. 44: Require clinics to spend 90% of revenue on patient care	Rejected, 18.1%	Opposed by the California Hospital Association, California Medical Association, and California Primary Care Association.
Prop. 45: Speed up CEQA reviews for housing and infrastructure	Rejected, 45.9%	Supported by the California Hospital Association; no new route to faster environmental review for facility projects.
Prop. 38: $8.4 billion bond for immunology research	Approved, 55.8%	Funds research on cancer, heart disease, and Alzheimer's through UC and other institutions.
Prop. 2: Raise rainy day fund deposit limit	Approved, 59.6%	Lets the state hold up to 20% of General Fund revenue in reserve, which may cushion future budget shortfalls.
Prop. 1: $11.25 billion housing bond	Approved, 59.4%	Funds affordable rental housing and homeownership programs, including for veterans.

Celebrating 80 Years: Petaluma Health Care District

ACHD was proud to join Petaluma Health Care District as it celebrated its 80th anniversary. For eight decades, the District has been a steady partner to the Petaluma community, adapting to meet local health needs and investing in the care and services residents count on.



The celebration brought together District leadership, staff, community partners, and residents to honor that legacy. It was a powerful reminder of what healthcare districts do best: local governance, local accountability, and a long-term commitment to the health of the people they serve.

Congratulations to the Petaluma Health Care District board, staff, and community on 80 years of outstanding work. ACHD looks forward to supporting the District's next chapter.



ACHD is pleased to share a valuable resource from **one of our Bronze Sponsors, Five Star Bank.**

Five Star Bank: Top Banking Tips for Healthcare Districts

Five Star Bank shares valuable banking tips to help California healthcare districts strengthen their financial management practices and make informed banking decisions. Explore their latest article for insights and considerations to support your district's financial health.

Read the Full Article

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LUCIDOC BOARD POLICY LISTING
Review Date: November 16, 2026

ID	Title	Type	Source	Owner	Next Review Date	Status
59212	Bylaws of Palomar Health	Bylaws	BOD	Chair of the Board	In Process	Official
21800	Conflict of Interest Code	Policy	BOD	Chair of the Board	11/12/2026	Official
21809	Annual Budget Approval	Policy	BOD	Chair of the Board	7/1/2027	Official
58892	Debt Policy	Policy	BOD	Chair of the Board	8/6/2027	Official
27092	Annual Adoption of Statement of Investment	Policy	BOD	Chair of the Board	8/13/2027	Official
21776	Gifts and Donations	Policy	BOD	Chair of the Board	11/12/2027	Official
21798	Oath of Office	Policy	BOD	Chair of the Board	11/12/2027	Official
68552	Board of Directors Code of Conduct	Policy	BOD	Chair of the Board	6/15/2028	Official
70012	Board Dispute Resolution Policy	Policy	BOD	Chair of the Board	4/7/2029	Official
21783	Political Activities on Palomar Health Property	Policy	BOD	Chair of the Board	4/7/2029	Official
62012	Public Comment Form	Form	BOD	Chair of the Board	4/7/2029	Official
21790	Public Comments and Attendance at Public Board Meetings	Policy	BOD	Chair of the Board	4/7/2029	Official
78652	Disruption of Telephonic or Internet Service	Policy	BOD	Chair of the Board	4/16/2029	Official
78732	Appointment of Representatives to the Palomar UCSD Health Authority	Policy	BOD	Chair of the Board	5/11/2029	Official
78734	JPA Appointee Application	Form	BOD	Chair of the Board	5/11/2029	Official
78733	JPA Appointee Position Description	Form	BOD	Chair of the Board	5/11/2029	Official
79292	Board Per Diem and Compensation	Policy	BOD	Chair of the Board	8/13/2029	Official