

**FIRST AMENDED AND RESTATED WASHINGTON RURAL HEALTH
COLLABORATIVE
INTERLOCAL AGREEMENT**

This Interlocal Agreement is made and entered into as of the 14th day of December, 2018, by and among the public hospital districts identified in Exhibit A and such additional public hospital districts as may agree to be bound by the terms of this Agreement in the future (hereinafter collectively referred to as the “Districts”).

RECITALS

A. RCW 70.44.003 authorizes public hospital districts “to provide hospital services and other health care services for the residents of such districts and other persons.”

B. RCW 70.44.007(2) defines “other health care services” to include “nursing home, extended care, long-term care, outpatient, rehabilitative, and ambulance services; services that promote health, wellness, and prevention of illness and injury; and such other services as are appropriate to the health and wellness needs of the population served.”

C. Each of the Districts is a public hospital district authorized under Chapter 70.44 RCW whose geographic boundaries do not include a city with a population greater than fifty thousand and, therefore, is a “rural public hospital district” as defined by RCW 70.44.460.

D. Each of the Districts provides health care services and facilities, including hospital services, to its residents and others.

E. RCW 70.44.450 expressly authorizes rural public hospital districts as defined by RCW 70.44.460 to enter into cooperative agreements and contracts with one another under the Interlocal Cooperation Act (Chapter 39.34 RCW) to provide for the health care needs of the people they serve. These agreements and contracts are specifically authorized to include: (1) allocation of health care services among the different facilities owned and operated by the public hospital districts; (2) combined purchases and allocations of medical equipment and technologies; (3) joint agreements and contracts for health care service delivery and payment with public and private entities; and (4) other cooperative arrangements consistent with the intent of chapter 161, Washington Laws of 1992.

F. RCW 39.34.030(3) authorizes public agencies who enter into interlocal agreements under the Interlocal Cooperation Act to carry out their joint activities through a separate legal entity including a nonprofit corporation established under Chapter 24.06 RCW.

G. Pursuant to authority granted by Chapter 70.44 RCW and Chapter 24.06 RCW, the Districts established a nonprofit corporation in 2006 under the name Western Washington Rural Health Collaborative, which name was changed to Washington Rural Health Collaborative (“WRHC”) in 2016, and each of the Districts became a member of WRHC (“Member”).

H. WRHC was established for the original purpose of assisting public hospital districts and nonprofit corporations that operate hospitals in the State of Washington that have been designated as critical access hospitals under Section 1820 of the Social Security Act, as amended from time to time, to work collaboratively to improve the effectiveness, quality, performance, safety, timeliness, and accessibility of their health care services.

I. The Members are currently limited to public hospital districts who qualify as rural public hospital districts under RCW 70.44.460 and have been designated as a critical access hospital under Section 1820 of the Social Security Act.

J. WRHC desires to expand the Members to include rural public hospital districts under RCW 70.44.460 that do not operate hospitals in the State of Washington that have been designated as critical access hospitals under Section 1820 of the Social Security Act, as amended from time to time.

K. The Districts desire to enter into agreements and contracts authorized under RCW 70.44.450 through WRHC.

AGREEMENT

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

1. Designation of WRHC Under Interlocal Cooperation Act. Pursuant to the authority granted by Chapter 39.34 RCW and Chapter 70.44 RCW, the Districts hereby designates WRHC as the separate legal entity through which the Districts shall carry out the joint activities authorized by RCW 70.44.450. So long as WRHC continues to operate under the authority granted by this Agreement, WHRC shall operate subject to the following limitations:

a. Membership in WRHC. The Members shall be limited to Washington State public hospital districts who qualify as rural public hospital districts under RCW 70.44.460.

b. The Purpose of WRHC. The purposes of WRHC shall include, but not be limited to, assisting public hospital districts that qualify as rural public hospital districts under RCW 70.44.460 to work collaboratively to

(i) improve the effectiveness, quality, performance, safety, timeliness, and accessibility of their health care services,

(ii) engage in joint purchasing including but not limited to the purchase of liability insurance on a group basis, and

(iii) engage in all other activities authorized under RCW 70.44.450.

c. Articles of Incorporation and Bylaws. WRHC shall operate under amended and restated articles of incorporation (“Articles”) and bylaws (“Bylaws”) in the form attached hereto as Exhibits B and C, which Articles and Bylaws may be amended from time to time in the manner specified therein.

d. Addition or Removal of Members. Additional public hospital districts may be added as parties to this Agreement and as Members and Districts may be removed as parties to this Agreement and as Members from time to time in the manner specified in the Articles, the Bylaws and this Agreement. A public hospital district may be added as a party to this Agreement or a District may be removed as a party to this Agreement by signing a written consent in a form approved by the Board of Directors of the WRHC. The addition of a public hospital district as a party to this Agreement or the removal of a District as party to this Agreement shall not require an amendment to this Agreement signed by all Districts.

2. Term. This Agreement shall remain in effect until December 31, 2018, and shall automatically renew for additional one-year terms, unless terminated by the Districts as described in Section 10 hereof.

3. Powers. WRHC shall have the power to do all lawful acts and things necessary, appropriate or desirable to carry out and in furtherance of its purposes as described in Section 1 hereof that are consistent with Chapter 24.06 RCW, Chapter 39.04 RCW, Chapter 70.44 RCW and Section 501(c)(3) of the Internal Revenue Code, as amended from time to time.

4. Management of the WRHC’s Activities and Scope of Authority. The Districts agree that the management of WRHC activities and supervision of the WRHC’s agents shall be under the control of the board of WRHC. No District shall have any independent authority to direct the management of WRHC’s activities or any authority to bind or to act for or to assume any obligations or responsibilities on behalf of any other District or WRHC. WRHC shall not have authority to bind or act for or to assume any obligations or responsibilities on behalf of any individual District unless expressly authorized in writing by that District.

5. Contracts. Any contract entered into by the WRHC shall be in writing and shall contain a provision permitting termination of such contract upon no more than twelve (12) months’ notice in the event this Agreement is terminated.

6. Property. Any property required to carry out the purposes of this Agreement shall be held by WRHC.

7. Funding. Any costs incurred by WRHC in carrying out the activities described in Section 1 not covered by other sources of revenue available to WRHC shall be allocated among the Districts on the basis of a methodology to be determined by the Board of WRHC.

8. Financial Statements. WRHC shall develop and deliver to the Districts within one hundred twenty (120) days after the close of the Board’s fiscal year a balance sheet of WRHC as of the end of the fiscal year and statements of income and cash flow. Each of these

documents shall be prepared in accordance with generally accepted accounting principles, consistently applied, reviewed by the Treasurer of WRHC, and clearly reflect any positive or negative variances from the operating budget approved by the Board of WRHC.

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

10. Termination and Distribution.

a. Termination of Agreement. This Agreement may be terminated prior to the expiration of the term specified in Section 3 as follows: (i) upon mutual agreement of the Districts, in which event the termination shall be effective at any time established by mutual agreement; or (ii) upon receipt by each District of written notice that all but one District intends to withdraw, in which event the termination shall be effective no sooner than ninety (90) days from the date that each District receives written notice of withdrawal. No termination, however, shall be effective until either the winding up and distribution process as described below is completed. In addition, Districts that provide notice of withdrawal shall not be liable for any liabilities incurred by the Board following receipt of its notice other than those incurred in connection with the winding up and distribution process described below.

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

c. Distribution. Upon completion of the winding up process, WRHC shall distribute any property that it may then be holding to the Districts in proportion to the payments that they have made pursuant to Section 7 of this Agreement.

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

11. Withdrawal. Any District may withdraw as a party to this Agreement and as a Member in the manner specified in the Bylaws. The withdrawal of one or more Districts as party to this Agreement shall have no effect on the enforceability of this Agreement with respect to the remaining parties to this Agreement so long as a minimum of two Districts remain as parties to this Agreement.

12. Notices. Any and all notices or communications required or permitted to be given under any of the provisions of this Agreement may be in writing and shall be deemed to have been given:

- a. Upon receipt when personally delivered, sent by overnight courier or sent by email; or
- b. Two (2) days after deposit in the United States mail when sent first class, certified or registered mail, return receipt requested.

All notices shall be addressed to the parties at the addresses set forth in Exhibits A or at such other address as any District may specify by notice to the other Districts.

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

14. Assignment. No party to this Agreement may assign its rights or obligations hereunder.

15. Counterparts and Electronic Signatures. This agreement may be executed in counterparts, each of which shall be an original but all of which taken together shall constitute but one and the same instrument. In the event any signature is delivered by facsimile or by e-mail delivery of a .pdf file, such signature shall create a valid and binding obligation of the party with the same force and effect as if the facsimile or .pdf signature page were an original thereof.

16. Filing Requirements. Upon execution of this Agreement, the parties shall file a true and complete copy thereof in compliance with the provisions of Chapter 39.34 RCW.

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

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

PUBLIC HOSPITAL DISTRICT NO. 1,
CLALLAM COUNTY

By: *Tim Courmyer*
Tim Courmyer (Feb 15, 2019)
Tim Courmyer, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,
JEFFERSON COUNTY

By: *Mike Glenn*
Mike Glenn (Feb 14, 2019)
Mike Glenn, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
GRAYS HARBOR COUNTY

By: *Josh Martin*
Josh Martin (Feb 18, 2019)
Josh Martin, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
MASON COUNTY

By: *Eric Moll*
Eric Moll (Feb 1, 2019)
Eric Moll, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
LEWIS COUNTY

By: *Leianne Everett*
Leianne Everett (Mar 5, 2019)
Leianne Everett, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,
PACIFIC COUNTY

By: *Gary Schwiesow*
Gary Schwiesow (Feb 12, 2019)
Gary Schwiesow, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 3,
PACIFIC COUNTY

By: *Larry Cohen*
Larry Cohen (Feb 1, 2019)
Larry Cohen, Superintendent

WHIDBEY ISLAND PUBLIC HOSPITAL
DISTRICT

By: *Geryl Forbes*
Geryl Forbes (Feb 14, 2019)
Geryl Forbes, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 4,
KING COUNTY

By: *Kim Witkop*
Kim Witkop, MD (Feb 7, 2019)
Kim Witkop, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
PEND OREILLE COUNTY

By: *Tom Wilbur, CEO*
Tom Wilbur, CEO (Feb 16, 2019)
Tom Wilbur, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 3,
LINCOLN COUNTY

By: _____
Tyson Lacy, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
KLICKITAT COUNTY

By: _____
Leslie Hiebert, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,
KLICKITAT COUNTY

By: _____
Robert Kimmes, Superintendent

PROSSER PUBLIC HOSPITAL DISTRICT,
BENTON COUNTY

By: _____
Craig Marks, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
KITITITAS COUNTY

By: _____
Julie Peterson, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
SKAGIT COUNTY

By: _____
Brian Ivie, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,
SKAGIT COUNTY

By: _____
Vincent Oliver, Superintendent

EXHIBIT A Members

Clallam County Public Hospital District No. 1
dba Forks Community Hospital
530 Bogachiel Way
Forks, Washington 98331-9120

Grays Harbor County Public Hospital District
No. 1
dba Summit Pacific Medical Center
600 East Main Street
Elma, Washington 98541

Jefferson County Public Hospital District No. 2
dba Jefferson Healthcare
834 Sheridan Avenue
Port Townsend, Washington 98368-2443

King County Public Hospital District No. 4
dba Snoqualmie Valley Hospital and Clinics
9801 Frontier Ave SE
Snoqualmie WA 98065-9577

Kittitas County Public Hospital District No. 1
dba Kittitas Valley Healthcare
603 South Chestnut Street
Ellensburg, WA 98926

Klickitat County Public Hospital District No. 1
dba Klickitat Valley Health
310 S. Roosevelt
Goldendale, WA 98620

Klickitat County Public Hospital District No. 2
dba Skyline Hospital
211 Skyline Drive
White Salmon, WA 98672

Lincoln County Public Hospital District No. 3
dba Lincoln Hospital and Clinics
10 Nicholls Street
Davenport, WA 99122

Sagit County Public Hospital District No. 2
dba Island Hospital
1211 24th Street
Anacortes, WA 98221

Lewis County Public Hospital District No. 1
dba Arbor Health
521 Adams Street
Morton, Washington 98356

Mason County Public Hospital District No. 1
dba Mason General Hospital
901 Mt. View Drive
Shelton, Washington 98584-1668

Pacific County Public Hospital District No. 2
dba Willapa Harbor Hospital
800 Alder Street
South Bend, Washington 98586

Public Hospital District No. 3 of Pacific County
dba Ocean Beach Hospital
174 First Avenue North, Box H
Ilwaco, Washington 98624-0258

Pend Oreille County PHD No. 1
dba Newport Hospital & Health Services
714 W Pine Street
Newport, WA 99156

Prosser Public Hospital District of Benton County
dba Prosser Memorial Health
723 Memorial Street
Prosser, WA 99350-1524

Whidbey Island Public Hospital District No. 1
dba WhidbeyHealth Medical Center
101 N. Main Street
Coupeville, Washington 98239-3413

Sagit County Public Hospital District No. 1
dba Skagit Regional Health, Cascade Hospital
1415 E Kincaid
Mount Vernon, WA 98273

EXHIBIT B

Articles of Incorporation

EXHIBIT C

Bylaws

WRHC Interlocal Authorizing Agreement

Final Audit Report

2019-03-05

Created:	2019-02-01
By:	Washington Rural Health Collaborative (admin@washingtonruralhealth.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAo3hPOMqFeTWY8TGF68_cQxQLw9fpNnS

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