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CONFLICT OF INTEREST POLICY

POLICY #1

May 25, 2023

Article I: Purpose

Members of the Board of Directors and employees of the Mendocino Coast Health Care District (“District”) are expected to carry out their duties and responsibilities in the best interests of the District and under circumstances where they are free from conflicting loyalties. The purpose of this Code is to protect the integrity of the District and its employees, provide guidelines to employees, and meet the requirement of State law. This code shall be comprised of, and incorporates herein, the Government Code section 1090, et seq., and the Political Reform Act, Government Code §§81000-91015, and other laws in California governing conflicts of interest.

Article II: Application

Except as otherwise provided herein these policies and procedures shall apply to all Board of Directors, employees, or any consultants of the District (“District employee”).

Article III: Policy

(1) It is the policy of the District that full disclosure shall be made of those interests and activities that may bring the District employee into conflict with the mission and purposes of the District.

(2) District employees shall not engage in any employment, activity, or enterprise for compensation that is inconsistent, incompatible, in conflict with, or hostile to, their duties as a District employee, or with the duties, functions or responsibilities of the District. Full disclosure shall be made in writing to the Chair where those outside activities are, or could appear to be, inconsistent with, incompatible to, or in conflict with their duties to the District.

Article IV: Guidelines for Activities that May Present a Conflict.

District employees must avoid placing themselves in a position in which personal interest (financial or non-financial) may come into conflict with their duty to the public. This policy requires District employees to use common sense and good judgment for the

protection of the District's interests. The following is a non-exhaustive list of the types of activities that may present a conflict and must be disclosed.

(1) Adverse Interest

Participation by a District employee or their Family Member in decisions or negotiations related to a contract, transaction or other matter between the District and:

- i. the District employee;
- ii. an entity in which the District employee or a Family Member has financial or business interest; or
- iii. an entity with which the District employee has an agency relationship.
- iv. "Family Member" includes a spouse or registered domestic partner, parents, minor or dependent children.

(2) Competing Interests

Competition by a District employee, either directly or indirectly, with the District in the purchase or sale of property or property rights, interests, or services.

(3) Use of Resources

Use of the District's resources (for example, staff, contracts, vendor lists, or equipment) for personal purposes of the District employee or a Family Member..

(4) Inside Information

Disclosure or exploitation by a District employee of information pertaining to the District's business for the personal profit or advantage of such person or a Family Member of such person or a person/entity with whom the District employee has an agency relationship.

(5) Outside Enterprises

A District employee's outside employment, or enterprise may be considered a conflict if:

(a) It involves the use, for private gain or advantage, of the District time, facilities, equipment, or supplies.

(b) It involves time demands on the employee involving any outside employment activity or enterprise that would render the performance of their District duties inefficient.

(6) Extra Compensation (Gifts, Entertainment, Discounts, Etc.)

District employees must not accept gifts of cash or gifts that directly or indirectly imply an appearance of a transaction having some benefit or monetary value in return for rendering official District duties. This may include, but is not limited to, personal gifts, free or discounted transportation, lodging, tickets to sporting or entertainment events.

(7) Bribery

Bribery is defined as anything of value or advantage, currently or in the future, or any promise or undertaking to give anything, asked, given, or accepted, with a corrupt intent to influence the actions of a public official, including any District employee.

Article V: Disclosure & Disqualification Procedure

(1) A District employee who may have an actual or potential conflict of interest must, at the earliest reasonable time, advise, in writing, the Chair of the possible conflict of interest.

(2) District employees shall disqualify themselves from making, or attempting to use their official position to influence a governmental decision in which they know, or it is reasonably foreseeable, that they have a conflict of interest or appearance of a conflict. On those occasions where action is taken by a member of the District Board of Directors that may be construed as a conflict of interest, that member shall abstain from voting.

(3) Following disclosure of an actual or potential conflict of interest, the District employee will have the opportunity to disclose the existence of any financial interest and any material facts to the District regarding the proposed transaction or arrangement. The District shall then determine whether an actual conflict of interest exists. Consideration of alternatives to the proposed transaction or arrangement to avoid the conflict of interest may be made.

(4) If the determines that the District employee is in violation of this code, the District employee shall be so informed in writing of the possible violation of this policy.

(5) Failure to disclose or discuss information of the type indicated above may lead to disciplinary action up to and including dismissal. Such disciplinary action shall be undertaken in accordance with District disciplinary policies.



(6) The District is committed to the fair treatment of all District employees and recognizes the responsibility under state and federal law to protect from punishment and harassment any person who reports a potential ethics issue, whether or not the allegation is found to have merit. The District shall not take any action or threaten any action against any employee as a reprisal for making a disclosure under this Code.

Article VI: Disclosure of Financial Interests

(1) The Political Reform Act, Government Code §§81000-91015, requires each state and local government agency to adopt and promulgate a Conflict of Interest Code. The Fair Political Practices Commission has adopted a regulation, found in Title 2, California Code of Regulations, §18730, which contains the terms of a standard Conflict of Interest Code. This code can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments of the Political Reform Act. The terms of the standard Conflict of Interest Code in Title 2, California Code of Regulations, §18730 and any amendments to it duly adopted by the Fair Political Practices Commission have been incorporated by reference by Resolution of the Board of Directors of the District, in which members and employees are designated.

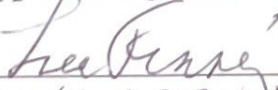
(2) Designated Positions


All members of the Board of Directors and all employees of the District are designated positions. Persons holding these positions are deemed to participate in the making of decisions which may foreseeably have a material effect on a financial interest.

(3) Economic Disclosure Statements.

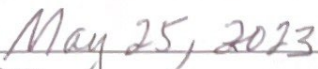
Designated employees shall file statements of economic interest with the District. As required by the Fair Political Practices Act (Gov't code 81000), an annual Conflict of Interest Statement Form 700 must be completed by each member of the Board of Directors and filed with the Mendocino County Clerk by April 1.

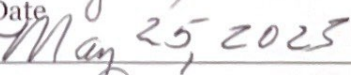
Approval Signatures:



Chair, Board of Directors


Secretary, Board of Directors



Date


Date

CALIFORNIA PUBLIC RECORDS ACT REQUESTS

POLICY #2

June 29, 2023

WHEREAS the CALIFORNIA PUBLIC RECORDS ACT (CPRA) (Government Code, §6250 et seq.) grants residents important rights to obtain access to records held by public agencies, and

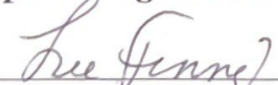
WHEREAS the CPRA (Government Code, §6253.4 (a) provides for public agencies to adopt regulations stating the procedures to be followed when making its records available in accordance with this section, and

WHEREAS the CPRA (Government Code, 6253.4 (b) provides that guidelines and regulations adopted pursuant to this section shall be consistent with all other §§ of this chapter and shall reflect the intention of the Legislature to make the records accessible to the public,

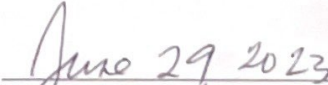
THEREFORE, BE IT RESOLVED that the Mendocino Coast Health Care District adopts the attached Policy and Procedure Number 2, California Public Records Act to facilitate compliance with the CPRA (Government Code §6250 et seq.).

Adopted by the Board of Directors of the Mendocino Coast Health Care District on June 29, 2023


Approval Signatures:



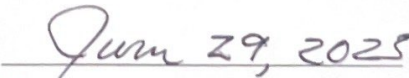
Chair, Board of Directors



Date



Secretary, Board of Directors



Date



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INTERNAL CONTROLS

POLICY #3

Adopted May 23, 2024

1. There will be established procedures for the adequate separation of duties, including at least the following:

- a) All cashed checks received will be reported to the Board Treasurer and a receipt log will be prepared monthly, for the Board of Directors, by an employee or consultant not in the Finance department;
- b) The agency administrator or designee will prepare or oversee the deposit and ensure it is made using the check scanning machine and software provided by agreement with the district's banks and will confirm that the daily deposits agree with the original of the receipt log which the District maintains;
- c) The bank reconciliation will be prepared promptly after month-end by an employee or consultant with no authority to prepare or sign checks or authorize other debits against the account;
- d) All invoices presented for payment must be approved by a person authorized by the agency administrator or Board of Directors;
- e) Every check or electronic transaction greater in amount than \$10,000 must be signed by two authorized signers;
- f) All paid invoices shall be so marked and filed for reference;
- g) The same employee, consultant, or board member cannot be responsible for authorizing transactions, collecting or paying bills, and maintaining accounting records.
- h) The Board of Directors shall be responsible for authorizing all expenses and encumbrances on the District treasury.
- i) No Board member shall spend, or cause to be encumbered or spent, any District funds without the prior consent of the Board. Consent must be documented in writing or by email and shall become part of the District permanent record.

2. There will be an annual financial audit and any finding(s) shall be reported to the Board of Directors with simultaneous notice to the agency administrator.

3. There will be biennial audits of the Property/Liability claims paid by the District and those report(s) will be promptly presented to the Board of Directors.
4. In regard to the District's cash reserve account in the Local Agency Investment Fund (LAIF), the District will maintain a balance for all programs, not to exceed the amount as currently authorized by LAIF guidelines. Transfers out of LAIF may be initiated by the CFO and authorized by the following individuals: 1) Board Chair, 2) Board Secretary, 3) Treasurer. The requests for such transfers out of LAIF shall be signed by one of the three individuals above and be supported by detailed information which shall be maintained by the agency administrator.
5. That other excess funds shall be deposited in or transferred to such long-term investment accounts as the Board may, from time to time designate by resolution; and
6. That funds in the investment account(s) shall only be withdrawn upon approval of the 1) Board Chair, 2) Board Secretary, and 3) Treasurer. The requests for such transfers shall be signed by the CFO or the agency administrator and be supported by detailed information which shall be provided to the Director approving the transfer. Such information shall be maintained by the agency administrator.
7. To maximize interest earnings and manage the District's cash flow needs, the CFO will strive to maintain a reasonable balance in the checking accounts to off-set monthly bank charges, but at the same time recognizing that surplus funds should be transferred as appropriate to LAIF or the long-term investment accounts.
8. Templates for Fed-wire or Automated-Clearing House (ACH) Transfers out of the District's bank accounts may only be established by the CFO. Subsequent use of these Fed-wire or ACH templates shall require two individuals – an initiator and one of the approving board members: 1) Board Chair, 2) Board Secretary, 3) Treasurer.
9. The signing of any checks written on the accounts of the District will be in accordance with the district's procurement policy. All "fed wires" or ACH transfers that exceed \$50,000 (other than to/from LAIF) shall be considered similar to a "large check" and be disclosed monthly to the Board.
10. The Board of Directors confirms that the Board will review these internal control policies upon completion of each year's audit with input from its external auditor.



Approval Signatures:

Chair, Board of Directors

6/20/2024

Date

Susan L. Savage
Secretary, Board of Directors

6/20/2024

Date



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CREDIT CARD USE POLICY

POLICY #4

April 25, 2024

1. Purpose

The purpose of this policy is to prescribe the internal controls for management of district credit cards.

2. Scope

This policy applies to all individuals who are authorized to use district credit cards and/or who are responsible for managing credit card accounts and/or paying credit card bills.

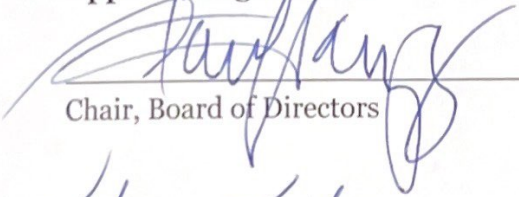
3. Implementation

A credit card shall be issued to the agency administrator. District Credit cards shall not be issued to or used by members of the Board of Directors. Directors will use their personal credit cards for lawful expenses of the district and seek reimbursement on a form provided by the district for that purpose. (Appendix A)

- a) All credit card bills shall be paid timely to avoid late fees and finance charges. The district shall not reimburse for late fees and finance charges.
- b) All credit card expenses shall be reasonable and necessary to the furtherance of district business and made in accordance with district policy. No personal expenses shall be charged on a district credit card. If a transaction involves both personal and district business, the credit card holder shall pay for the transaction personally and request reimbursement by the district of the appropriate portion of the expense.
- c) All credit card transactions shall have third-party documents (receipts) attached and the district purpose annotated by the cardholder.
- d) The Board Chair or Designee shall review and approve credit card transactions by the agency administrator.

e) All records of the district involving credit card use, including receipts, invoices, and requests for reimbursement are disclosable public records to be maintained consistently with the district's records management policy.

Approval Signatures:



Chair, Board of Directors

4/25/2024
Date



Secretary, Board of Directors

4/25/2024
Date

APPENDIX A - Credit Card Use Policy

Expense Reimbursement form for Mendocino Coast Health Care District					
Send this form to: info@mcdh.org - Submit only 1 form per month.					
Name:					
Instructions:					
<ul style="list-style-type: none"> • Only reasonable and allowable expenses will be reimbursed. • Receipts for all expenses must be submitted with form. 					
Date	Reason for Expense; If travel, List names of meetings, conferences, etc.	Provide vendor information; If travel, provide information about which meal, hotel name, rental car company, mileage, etc.	Miles	Amount	
				\$0.00	0.655
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
Total Expenses for the month				\$0.00	\$0.00
Signatures Required					
OR					
<div style="display: flex; justify-content: space-between;"> Chair of the Board of Directors Chief Financial Officer </div>					



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MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY

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MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY

I. POLICY STATEMENT

Mendocino Coast Health Care District ("District") is a California Health Care District formed on January 17, 1967 by a vote of the District's constituents for the purpose of constructing a public hospital to serve the people of Mendocino County. The District (aka MCHCD) was created pursuant to the California Health and Safety Code §32000 to address health care needs in the western portion of Mendocino County. The District is bordered on the west by the Pacific Ocean and includes the City of Fort Bragg and the communities of Westport, Cleone, Caspar, Mendocino, Little River, Albion, Comptche, and Elk. It is governed by an elected five-member board of directors.

The two investment funds of the District are: the **"Treasury Fund"** (comprised of short-term U.S. Treasury Bills and long-term U.S. Treasury Notes) and the **"Operations Fund"** (comprised of U.S. Commercial Banks' money market & CD investments and the State of California Local Agency Investment Fund-LAIF deposits).

This Investment Policy ("Policy") will ensure that investments purchased by the two District funds are prudently invested to preserve capital and provide necessary liquidity while maximizing earnings.

Policy Investments may only be made in accordance with the principles of prudent investment management and in accordance with the provisions of the California Constitution Article XI §11 and Government Code §53600 et seq., (the Code), which sets forth the investment parameters for local agencies, including special districts, in California.

This policy conforms to the Code as well as to the customary standards of prudent investment management.

MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY

II. INVESTMENT POLICY OBJECTIVES

The objectives of the District's Investment Program are, in order of priority:

- Protecting District investments is the District's foremost objective. The District's investments shall be undertaken in a manner that seeks to maximize the preservation of capital in the portfolio and minimize the risk related to capital losses.
- Maintenance of sufficient liquidity to meet cash flow needs.
- Attainment of the maximum yield possible consistent with the first two primary objectives of this Policy.

To achieve these objectives, The District shall consider the following when making a purchase investment:

The District shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks.

- Credit Risk is the risk of loss due to the failure of a security's issuer or backer.
- Interest Rate Risk is the risk that the market value of the District's portfolio will fall due to an increase in general interest rates.

1. Credit Risk

Credit risk will be mitigated by: Limiting investments to only the most creditworthy types of securities defined as "investment grade" by a Nationally Recognized Statistical Rating Organization (NRSRO) including (a). Standard and Poor's Rating Service, (b). Moody's Investors Service and (c). Fitch Ratings.

MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD) INVESTMENT POLICY

2. Interest Rate Risk

Interest rate risk will be mitigated by: Structuring the District's portfolio so that securities mature to meet the District's cash requirements for ongoing obligations, thereby avoiding the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and Investing primarily in shorter term securities.

The District's investment portfolio shall be structured in a manner which emphasizes that securities mature at the same time the cash is needed to meet anticipated demands (Static Liquidity). Additionally, since all possible cash demands cannot be anticipated, the portfolio should consist of securities with active secondary markets (Dynamic Liquidity). The maximum percentage of different investment instruments and maturities is described in Appendix A of this Policy.

Yield on the District's investment portfolio is of secondary importance compared to the safety and liquidity objectives described above. Investments are limited to relatively low risk securities with the expectation of earning a fair return relative to the risk being assumed. While it may occasionally be necessary or strategically prudent for the District to sell a security prior to maturity to either meet unanticipated cash needs or to restructure the portfolio, this policy specifically prohibits trading securities for the sole purpose of speculating on the future direction of interest rates.

BASIC INVESTMENT STRATEGY

The District shall pursue a "passive" strategy of investment under which investments shall be of "laddered" maturities, facilitating a "buy and hold" process where financial instruments are held until maturity rather than actively bought and sold at various times. An "active" strategy of market timing, sector rotation, indexing to a benchmark and similar strategies are considered inappropriate for the size of the District's portfolio. It is understood that it may

MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY

be appropriate to sell a particular security prior to maturity to meet unanticipated cash needs. Any such transaction will be reported to the Board of Directors at its next regularly scheduled meeting.

The District's investment portfolio shall be structured to provide that sufficient funds from investments are available each month to meet the District's anticipated cash needs. Subject to the objectives stated above, the choice in investment instruments and maturities shall be based upon an analysis of anticipated cash needs, existing and anticipated revenues, interest rate trends and specific market opportunities. No investment may have a maturity of more than five (5) years from its date of purchase without receiving prior Board of Directors approval.

III. INVESTMENTS

This section of the Investment Policy identifies the types of investments in which the District will invest its idle or surplus funds.

STANDARD OF PRUDENCE

The District operates its investment portfolio under the Prudent Investor Standard (California Government Code §53600.3) which states, in essence, that "when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District".

This standard shall be applied in the context of managing the overall portfolio. Investment officers, acting in accordance with written procedures and this

MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD) INVESTMENT POLICY

investment policy and exercising the above standard of diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

ALLOWABLE INVESTMENTS

Investment of District funds is governed by California Government Code §53600 et seq. See Appendix A for a listing of “Allowable Investments” and specific concentration limits by type of investment.

The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. If a type of investment is added to California Government Code §53600, it will not be added to the District's listing of Allowable Investments until this policy is amended and approved by the Board of Directors. If a type of investment permitted by the District should be removed from California Government Code §53600, it will be deemed concurrently removed from the District's listing of Allowable Investments, but existing holdings may be held until they mature.

One of the purposes of this Investment Policy is to define what investments are permitted. If a type of security is not specifically authorized by this policy, it is not a permitted investment.

DIVERSIFICATION

The District will diversify its investments by security type and investment. The District's “interim CFO” will adopt a strategy that combines current market conditions with the District's cash needs to maintain the maximum degree of safety of principal and liquidity throughout market and budgetary cycles. This strategy will include

MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY

diversification by investment type and maturity allocations and will be included in the regular monthly reports to the Board. This strategy will be reviewed monthly and can be changed accordingly.

Confirmations

Receipts for confirmation of purchases or sales of authorized securities shall include at a minimum the following information: trade date, settlement date, description of the security, par value, interest rate, price, yield to maturity, District's name, net amount due and third-party custodial information.

IV. SAFEKEEPING OF SECURITIES

The District shall utilize the United States Department of the Treasury for the safekeeping of securities that are owned in its Treasury Fund as a part of its investment portfolio.

The District's current custodians for its Operations Fund are: (1) the Offices of the various Commercial Banks for its money market & CD deposits and (2) the California State Treasurer's Office for its LAIF investments.

V. STRUCTURE AND RESPONSIBILITIES

This section of the policy defines the overall structure and areas of responsibility within the investment management program.

RE: Responsibilities of the interim CFO

The District's interim CFO is charged with responsibility for maintaining custody of all public funds and securities belonging to or under the control of the District, and for the deposit and investment of those funds in accordance

MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY

with principles of sound treasury management, applicable laws, ordinances, and this Investment Policy. This includes establishing written procedures for the operation of the investment program consistent with this policy. The procedures should include reference to safekeeping, master repurchase agreements, wire transfer agreements, banking services contracts and depository agreements. Such procedures shall also include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Board of Directors. However, in accordance with the District's bylaws (Section 4.b.3), the Board Chair will concur with each investment purchase decision, prior to execution. Except as otherwise provided herein, the Board has made a delegation of authority to the interim CFO, Board Chair, and Board Treasurer as set forth in Appendix B.

The current delegation of authority will be provided to all approved financial institutions. They will be notified of any changes to this delegation in a timely fashion and acknowledge receipt.

RE: Responsibilities of the Board of Directors

The Board shall consider and adopt a written Investment Policy. As provided in that policy, the Board shall receive, review, and accept monthly investment reports.

Ethics and Conflict of Interest

- The District shall comply with all California conflict of interest laws, including Government Code section 1090 et seq. and Government Code section 87100 et seq.

MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY

- All District officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or that could impair their ability to make impartial investment decisions. The District's Conflict of Interest Code shall specify those designated employees and consultants, as well as "Code Filers" who shall complete and file an Annual Statement of Economic Interests (Form 700). These individuals must disclose any material financial interests in financial institutions that conduct business within the District, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the District's investments, as specified in the Conflict-of-Interest Code.

VI. REPORTING

The Interim CFO shall prepare a monthly investment report, including a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made. This management summary shall be prepared in a manner that will allow the Board to ascertain whether investment activities during the reporting period have complied with the District's Investment Policy.

The monthly report shall include the following: List of individual securities held at the end of the reporting period showing maturity date, purchase date, par value, cost basis, and interest rate % for each of the District's investments.

VII. PERFORMANCE STANDARDS

The investment portfolio will be managed in accordance with the standards established within this Investment Policy and should obtain a market rate of

MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY

return throughout budgetary and economic cycles. The interim CFO and Board Treasurer will establish and periodically review the District's portfolio benchmarks and performance. A benchmark will be selected that compares with the portfolio composition, structure, and investment strategy at that time.

VIII. REVIEW OF INVESTMENT POLICY

This Investment Policy shall be reviewed annually by the Board in accordance with State law to ensure its consistency with respect to the overall objectives of safety, liquidity, and yield. A Statement of Compliance of the District's Investment Policy with California Government Code §53600 et seq. should be approved by the Board annually. Proposed amendments to the policy shall be prepared by the interim CFO and Board Treasurer and forwarded to the Board for its consideration and adoption in a public meeting.

Internal Control and Audit Review: The external auditors shall annually review the investments and general activities associated with the investment program to ensure compliance with this Investment Policy. This review will provide internal control by assuring compliance with policies and procedures established by this Investment Policy.

IX. DEFINITIONS

The District's definitions of terms for its invested portfolio:

- Local Agency Investment Fund (LAIF)- a voluntary investment pool that is only available to government entities and certain non-profit organizations in California. The investment pool funds are managed by the California State Treasurer's Office with short-term money market investments.

**MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY**

- **United States Treasury Bill (T-bill)-** a Treasury bill is a short-term debt obligation and sold by the U.S. Treasury Department with maturity terms of 4, 8, 13, 17, 26 and 52 weeks. It is a low-risk investment as it is backed by the full faith and credit of the United States Government.

- **United States Treasury Note (T-note)-** a Treasury note is a medium-term debt obligation and sold by the United States Treasury Department with maturity terms of 2, 3, 5, 7 and 10 years. It is a low-risk investment as it is backed by the full faith and credit of the United States Government.

- **Safety-** in the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio. The District addresses the concerns of safety by controlling exposure to risks.

- **Risk-** the uncertainty of maintaining the principal and interest associated with an investment due to a variety of factors.

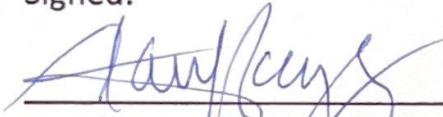
- **Prudent Management Standard-** a standard of conduct where a person acts with care, skill, prudence, and diligence when investing, re-investing, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent person acting in such a situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY

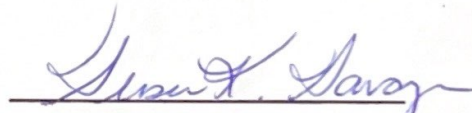
X. ADOPTION OF POLICY

This Policy, dated April 9, 2024 was duly adopted by the Board of Directors of the Mendocino Coast Health Care District at a Board meeting on the ~~9th~~^{10th} day of April, 2024.

Signed:



Paul Garza Jr., Chair
MCHCD Board Member



Susan Savage, Secretary
MCHCD Board Member

**MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY**

APPENDIX A

Allowable Investments- See Pages 14, 15, 16 & 17

**MENDOCINO COAST HEALTH CARE DISTRICT
INVESTMENT POLICY**

The District will consider the credit ratings of Moody's, Standard and Poor's, and Fitch in determining eligibility specific to the investment policy. The District's Treasurer and its Strategic Advisor will determine the specific securities selected are consistent with the objectives of the Investment Policy.

#	Type of Investment	Other Restrictions
1.	United States Treasury notes, bonds, bills, or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.	Maximum Maturity: 5 years Maximum % of Portfolio: 100%
2.	Registered state warrants or notes or bonds of the State of California.	Maximum % of Portfolio: 30% Minimum Quality: ST: A1 or equivalent by any NRSRO LT: AA or equivalent by any NRSRO Maximum Maturity: 5 years
3.	Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California.	Maximum % of Portfolio: 30% Minimum Quality: ST: A1 or equivalent by any NRSRO LT: AA or equivalent by any NRSRO Maximum Maturity: 5 years
4.	Federal agency or United States government-sponsored enterprise ("GSE") obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.	Maximum Total Callables: 25% Maximum Maturity: 5 years
5.	Bill of exchanges or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances.	Maximum % of Portfolio: 40% Maximum Per Issuer: 30% Maximum Maturity: 180 days Minimum Quality: ST: A1 or equivalent by any NRSRO
6.	Commercial Paper	Maximum % of Portfolio: 40% Maximum Outstanding CP of Issuer: 10% Maximum Per Issuer: 5% Maximum Maturity: 270 days Minimum Quality: ST: A1 or equivalent by any NRSRO Must meet all of the criteria of 1 or of 2: 1a. Must be organized and operating in the US as a general corporation 1b. Has total assets greater than \$500 million 1c. Has debt other than CP, if any, that is rated A or higher by any NRSRO

**MENDOCINO COAST HEALTH CARE DISTRICT
INVESTMENT POLICY**

#	Type of Investment	Other Restrictions
		2a. Must be organized within the US as a special purpose corporation, trust, or LLC 2b. Has program wide enhancements (over collateralization, letter of credit, etc.) 2c. Has CP that is rated A1 or higher by an NRSRO
7.	Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank.	Maximum Per Issuer: 10% Minimum Quality: ST: A1 or equivalent by any NRSRO Maximum Maturity: 5 years
8.	Time Certificates of Deposit.	The District may invest in non-negotiable time deposits collateralized in accordance with the California Government Code, in those banks and savings and loan associations which meet the requirements for investment in negotiable certificates of deposit.
9.	Repurchase Agreements.	Max Maturity: 90 days Repo Agreement must be covered under a Master Repurchase Agreement Must be a Tri-Party Repo Collateral must be at all times: <ul style="list-style-type: none"> - secured with obligations of the US and Federal agencies (MV of 102% at all times) - valued daily internally or externally The District shall obtain 1 st lien and security interest in all collateral Repurchase agreements shall be executed through Primary Broker-Dealers.
10.	Reverse Repurchase Agreements or Securities Lending Agreements.	May be utilized only when all conditions are met: <ol style="list-style-type: none"> 1. Security to be sold has been owned and fully paid for at least 30 days prior to sale 2. Maximum % of Portfolio: 20% 3. Maximum Maturity: 92 days 4. Funds from a Reverse Repo or Securities Lending agreement shall not be used to purchase a security that has a maturity of greater than 92 days from the settlement of the sale 5. Counterparty Minimum Rating: A or equivalent by any NRSRO
11.	Medium-term notes issued by corporations organized and operating within the United States, or by depository institutions licensed by the United	Maximum % of Portfolio: 30% Maximum Per Issuer: 5% Minimum Quality: A or equivalent by all NRSRO's Maximum Maturity: 5 years

**MENDOCINO COAST HEALTH CARE DISTRICT
INVESTMENT POLICY**

#	Type of Investment	Other Restrictions
	States or any state and operating within the United States.	
12.	Mutual Funds/Money Market Mutual Funds: Shares of beneficial interest issued by diversified management companies investing in the securities and obligations as authorized by the State of California Code 53601 and 53630 et seq.	Maximum % of Portfolio: 20% Maximum Per Mutual Fund: 10% / Maximum Per Money Market Mutual Fund: 20% Purchase price may not include any commissions charged by these companies. Companies must have either: <ul style="list-style-type: none"> - the highest ranking or the highest letter and numerical rating provided by not less than two of the nationally recognized rating services; - retained an investment advisor registered or exempt with the Securities and Exchange Commission, with no less than five years of experience investing with assets under management in excess of five hundred million dollars (\$500,000,000) in A) Bond Funds: the securities and obligations authorized by State Code 53601 a-k and m-q; or B) Money Market Mutual Funds.
13.	State of California Local Agency Investment fund (LAIF).	Maximum investment in LAIF accounts are dependent upon limits established under the Local Agency Investment Fund guidelines.
14.	Mortgage and Asset Backed Securities.	Maximum % of Portfolio: 20% Minimum Quality: MBS: AA or equivalent by any NRSRO Minimum Quality: ABS: AA or equivalent by any NRSRO Maximum Maturity: 5 years Must be fixed rate. MBS: Pass-Through securities: <ul style="list-style-type: none"> - Limited to Government Agency or Government Sponsored issuers - Planned Amortization Classes (PAC) CMOs only ABS: <ul style="list-style-type: none"> - Publicly offered, generic credit card and automobile receivables only. - Deal size must be at least \$250 million

**MENDOCINO COAST HEALTH CARE DISTRICT
INVESTMENT POLICY**

#	Type of Investment	Other Restrictions
		- Tranche size must be at least \$25 million
15.	Supranational Securities: US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) eligible for purchase and sale within the US.	Maximum % of Portfolio: 30% Maximum Per Issuer: 10% Minimum Quality: AA or equivalent by any NRSRO Maximum Maturity: 5 years.

MENDOCINO COAST HEALTH CARE DISTRICT (MCHCD)
INVESTMENT POLICY

APPENDIX B

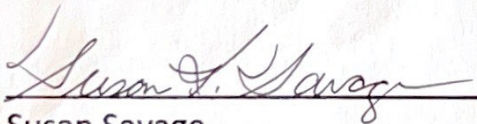
Delegation of Authority

The following named individuals are hereby designated authority to act as authorized agents of the Mendocino Coast Health Care District to purchase investments in accordance with the District's Investment Policy dated April 9, 2024:

- Paul Garza Jr., Board Chair
- Sara Spring, Board Treasurer
- Wayne Allen, Interim CFO

The designation shall remain valid until December 31, 2024 unless rescinded or superseded.

Executed this ^{10th}~~9th~~ day of April, 2024.



Susan Savage
MCHCD Board Secretary

ELECTRONIC DOCUMENTS RETENTION

POLICY #6

February 29, 2024

The Electronic Document Retention Policy of the Mendocino Coast Health Care District governs the retention of text messages, voicemail messages, social media posts, and email messages sent or received in the conduct of District business.

Article 1. Definitions

- a) Email Message: An electronic communication sent and received via web mail or email client.
- b) Social Media: Information posted to websites and applications that enable users to create and share content or to participate in social networking, e.g. *Facebook, X (Twitter), Instagram, Snapchat, and LinkedIn.*
- c) Text Message: An electronic, written communication sent and received via telephone or Internet connection.
- d) Voicemail Message: An electronic, aural communication sent or received via telephone or Internet connection.

Article 2. Text Messages, Voicemail Messages, and Social Media

Text messages, voicemail messages, and social media posts not saved to an archive or a more permanent medium are intended to be ephemeral documents, not preserved in the ordinary course of business. Accordingly, they do not constitute disclosable public records, as that term is defined by Government Code section 6252, subdivision (e). Directors and District staff are not required to retain these electronic documents. Business done on behalf of the District that requires the creation and preservation of records should be conducted in other media.

Article 3. Email Messages

- a) Email messages sent or received by the District's computer systems from the date this policy is adopted will be preserved for two years and made available for public inspection on the same terms as other District records.
- b) Except as provided in 3c) below, Directors and District staff are required to use (or copy to an address on) the District's computer systems for all email messages regarding District business. Such email messages fall within point 1 above, i.e., they will be preserved for two years and made available for public inspection on the same terms as other District records.

c) The District will continue to comply with Government Code § 54957.5 which deems to be a public record any document communicated to a majority of the Directors, whether at the same time or seriatim, with respect to an item of District business regardless of the means of that communication, including via non-District email accounts. Directors are encouraged to forward such email messages not received by the District's computer systems nor copied to its staff or to an email address designated for that purpose so they can be preserved in the District's email retention system, relieving individual Directors of any duty to preserve such email messages or make them available for public inspection.

d) This policy applies only to the conduct of District business that is subject to the Public Records Act. It has no application to communications to or from Directors in their other public and private capacities or communications to or from District staff that are personal, private or otherwise not District business.

Approval Signatures:



Chair, Board of Directors

Feb 29, 2024

Date



Secretary, Board of Directors

Feb 29, 2024

Date

RECORDS RETENTION

POLICY #7

March 28, 2024

Article 1: Purpose

The purpose of this policy is to:

- Provide guidelines to staff regarding the retention or disposal of District records
- Provide for the identification, maintenance, safeguarding and disposal of records in the normal course of business
- Ensure prompt and accurate retrieval of records
- Ensure compliance with legal and regulatory requirements

Article 2: Retention and Disposition of Records

- The Executive Director is authorized by the Board of Directors to implement this policy, and to approve the disposition (recycling or shredding) of any or all records that meet the qualifications governing the retention and disposal of records as defined by the records retention schedule established in Appendices A and B, attached to this policy and incorporated herein by this reference.
- All records listed in Groups 1-4, inclusive, of Appendix B are permanent records of the District and shall not be destroyed.
- All original records identified in the Records Retention Schedule shall be retained in the District offices for the number of years indicated in the retention column in Appendix B.
- An inventory of disposed records shall be retained as a permanent record.
- No records, papers or documents shall be destroyed where there is a continuing need for such records for such matters as holds for pending litigation, special projects, audits, etc.

Records, papers or documents which are not expressly required by law to be filed and preserved may be destroyed if all of the following conditions are met:

- The record, paper or document is photographed, micro-photographed, reproduced on film, or copied to an approved electronic media
- The photographs, micro-photographs, or other reproductions on film are maintained in conveniently accessible and searchable files

Article 3: Non-Records

The following records, if not retained by the District in the ordinary course of business, are exempt from disclosure and may be destroyed at any time without Board authorization or consultation with the General Counsel, as these are considered non-records:

- Duplicated documents (original-subject to aforementioned requirements).
- Rough or preliminary drafts, notes or working papers (except audit), not retained in the ordinary course of business
- Cards, listings, nonpermanent indices, other papers used for controlling work
- or transitory files

Article 4: Record Format

For records existing in paper form, retention periods apply to the original paper copy only unless a digitized version exists in a Trusted System.

Electronic records will be retained as if they were paper documents and are subject to the retention schedule. Therefore, any electronic files, including emails that fall into one of the document types in this Policy shall be maintained for the required amount of time.

Article 5: Confidentiality

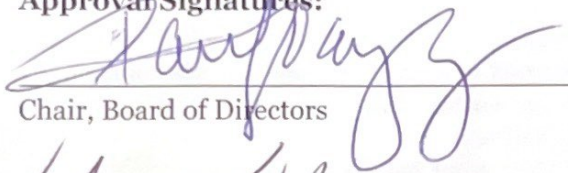
The District is committed to ensuring the security and confidentiality of those records within its custody or control that contain personal, private, or proprietary information the District is required by applicable law to protect as confidential. When such records are due to be destroyed under this Policy, they will be shredded, erased, or otherwise modified or destroyed to make them unreadable or indecipherable through any means. All disposed records must be logged onto the District's inventory of disposed records and kept permanently.

Article 6: Legal and Contractual Requirements:

To the extent that any applicable laws or regulations exceed the retention periods in the schedule in Appendix B, the applicable laws will control. Further, to the extent that contractual records retention requirements exceed the retention periods in the retention schedule, the contractual requirements will control. No originals of records related to open or recently closed contracts and subject to contractual retention requirements may be destroyed without the approval of the Executive Director.

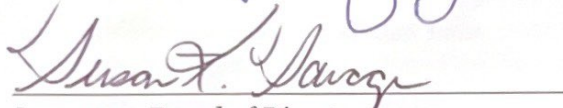


Approval Signatures:



Chair, Board of Directors

4/2/2024
Date



Secretary, Board of Directors

4/2/2024
Date

POLICY 7 - APPENDIX A
RECORDS RETENTION & STORAGE DEFINITIONS

1. AUTHORIZATION. Approval from the Executive Director, as authorized by the District's Board of Directors.

2. ACCOUNTING RECORDS. Include but are not limited to the following:

a. SOURCE DOCUMENTS

- (1) Invoices
- (2) Warrants
- (3) Requisitions/Purchase Orders (attached to invoices)
- (4) Cash Receipts
- (5) Claims (attached to warrants in place of invoices)
- (6) Bank Statements
- (7) Bank Deposits
- (8) Checks
- (9) Bills
- (10) Various accounting authorizations taken from Board minutes, resolutions or contracts

b. JOURNALS

- (1) Cash Receipts
- (2) Accounts Receivable or Payable Register
- (3) Check or Warrant (payables)
- (4) General Journal
- (5) Payroll Journal

c. LEDGERS

- (1) Expenditure
- (2) Revenue
- (3) Accounts Payable or Receivable Ledger
- (4) Construction
- (5) General Ledger
- (6) Assets/Depreciation

d. TRIAL BALANCE

e. STATEMENTS (Interim or Certified - Individual or All Fund)

- (1) Balance Sheet
- (2) Analysis of Changes in Available Fund Balance
- (3) Cash Receipts and Disbursements
- (4) Inventory of Fixed Assets (Purchasing)

f. JOURNAL ENTRIES

g. PAYROLL and PERSONNEL RECORDS include but are not limited to the following:

- (1) Accident reports, injury claims and settlements
- (2) Applications, changes or terminations of employees
- (3) Earnings records and summaries
- (4) Fidelity Bonds
- (5) Garnishments
- (6) Insurance records of employees
- (7) Job Descriptions
- (8) Medical Histories
- (9) Retirements
- (10) Time Cards

h. OTHER

- (1) Inventory Records (Purchasing)
- (2) Capital Asset Records (Purchasing)
- (3) Depreciation Schedule
- (4) Cost Accounting Records

3. LIFE. The inclusive or operational or valid dates of a document.

4. RECORD. Any “writing” as defined in Government Code § 6252(f), which includes: any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby

created, regardless of the manner in which the record has been stored that is issued by or received in a department, and maintained and used as information in the conduct of its operations or the public's business.

5. RECORD COPY. The District copy of a document or file.
6. RECORD SERIES. A group of records, generally filed together, and having the same reference and retention value.
7. RECORDS CENTER. The site selected for storage of inactive records.
8. RECORDS DISPOSAL. The planning for and/or the physical operation involved in the transfer of records to the Records Center, or the authorized destruction of records pursuant to the approved Records Retention Schedule.
9. RECORDS RETENTION SCHEDULE. The consolidated, approved schedule list of all District records which timetables the life and disposal of all records.
10. RETENTION CODE. Abbreviation of retention action which appears on the retention schedule.
11. VITAL RECORDS. Records which, because of the information they contain, are essential to one or all of the following:
 - a. The resumption and/or continuation of operations;
 - b. The re-creation of the legal and financial status of the District, in case of a disaster;
 - c. The fulfillment of obligations to bondholders, customers, and employees.Vital records include but are not limited to the following [detail the records structure of the District, stating the retention time for each class of records. Those times can be drawn from the recommendations of the Secretary of State (<http://archives.cdn.sos.ca.gov/local-gov-program/pdf/records-management-8.pdf>) or developed with the advice of legal counsel, as there are many laws governing records retention]:

- | | |
|--|--------------------------------------|
| (1) Agreements | (21) Individual water rights |
| (2) Annexations and detachments | (22) Individual claims/settlements |
| (3) As-built drawings | (23) Inventory |
| (4) Audits | (24) Journal vouchers |
| (5) Contract drawings | (25) Ledgers |
| (6) Customer statements | (26) Licenses & permits (to operate) |
| (7) Deeds | (27) Loans & grants |
| (8) Depreciation schedule | (28) Maps |
| (9) Disposal of surplus & excess property | (29) Minutes of Board meetings |
| (10) Disposal of scrap materials | (30) Payroll register |
| (11) District insurance records | (31) Policies, Rules & Regulations |
| (12) District water rights | (32) Purchase orders & requisitions |
| (13) Employee accident reports, injury claims
& settlements | (33) Restricted materials permits |
| (14) Employee earning records | (34) Rights of ways & easements |
| (15) Employee fidelity bonds | (35) Spray permits |
| (16) Employee insurance records | (36) Statements of Economic Interest |
| (17) Encroachment permits (by others) | (37) |
| (18) Encroachment permits | (38) |
| (19) Facility improvement plans | (39) |
| (20) Improvement districts | (40) |

**POLICY 7 - APPENDIX B
RECORDS RETENTION & STORAGE SUMMARY**

OP = Original or Photographic copy
ES = May be destroyed if stored in electronic media

Group #	Title/Description	Original	Duplicate	Retention Periods
				Retain or destroy
1	Records affecting property or titles thereof	X		ES
2	Records required to be kept permanently by statute	X		ES
3	Minutes, Ordinances and Resolutions of Board	X		ES
4	Documents with lasting Historic, Administrative, Legal, Fiscal or Research Value	X		ES
5	Correspondence, Operational Reports, and information upon which District Policy has been established	X		12 years
6	Duplicates of #5 above when retention is necessary for reference	X		2 years
7	Records requiring retention for more than 5 years, but no more than 15 years by statute or administrative value	X		15 years
8	Duplicates needed for Administrative purposes for 5 to 10 years		X	15 years
9	All other original District records, or instruments, books or papers that are considered public documents not included in Groups 1 through 8.	X		3 years
10	Duplicates and other documents not public records required to be maintained for administrative purposes.	X	X	5 years

Group #	Title/Description	Original	Duplicate	Retention Periods
				Retain or destroy
11	Duplicate records requiring retention for administrative purposes such as reference material for making up budgets, planning and programming.		X	3 years
12	Reference files (copies of documents which duplicate the record copies filed elsewhere in the District; documents which require no action and are non-record; rough drafts, notes, and similar working papers accumulated in preparation of a communication, study or other document, and cards, listings, indexes and other papers used for controlling work).		X	1 year
13	Transitory files, including letters of transmittal (when not a public record), suspense copies when reply has been received, routine requests for information and publication, tracer letters, and other duplicate copies no longer needed.	X	X	3 months
14	Original documents disposable upon occurrence of an event or an action (i.e., audit, job completion, completion of contract, etc.) or upon obsolescence, supersession, revocation	X		5 years
15	Policy files and reference sets of publications		X	Indefinite
16	Duplicates or non-record documents required for administrative needs but destroyable on occurrence of an event or an action		X	Indefinite

POLICY 7 - APPENDIX B
RECORDS RETENTION & STORAGE SUMMARY

OP = Original or Photographic copy
ES = May be destroyed if stored in electronic media

Group #	Title/Description	Original	Duplicate	Retention Periods		
				Office	Record Center	Retain or destroy
1	Records affecting property or titles thereof	X		2 years	OP	ES
2	Records required to be kept permanently by statute	X		2 years	OP	ES
3	Minutes, Ordinances and Resolutions of Board	X		2 years	OP	ES
4	Documents with lasting Historic, Administrative, Legal, Fiscal or Research Value	X		2 years	OP	ES
5	Correspondence, Operational Reports, and information upon which District Policy has been established	X		2 years	10 years	12 years
6	Duplicates of #5 above when retention is necessary for reference	X		2 years		2 years
7	Records requiring retention for more than 5 years, but no more than 15 years by statute or administrative value	X		2 years	13 years	15 years
8	Duplicates needed for Administrative purposes for 5 to 10 years		X	2 years	13 years	15 years
9	All other original District records, or instruments, books or papers that are considered public documents not included in Groups 1 through 8.	X		2 years	1 year	3 years
10	Duplicates and other documents not public records required to be maintained for administrative purposes.	X	X	2 years	3 years	5 years

Group #	Title/Description	Original	Duplicate	Retention Periods		
				Office	Record Center	Retain or destroy
11	Duplicate records requiring retention for administrative purposes such as reference material for making up budgets, planning and programming.		X	3 years		3 years
12	Reference files (copies of documents which duplicate the record copies filed elsewhere in the District; documents which require no action and are non-record; rough drafts, notes, and similar working papers accumulated in preparation of a communication, study or other document, and cards, listings, indexes and other papers used for controlling work).		X	1 year		1 year
13	Transitory files, including letters of transmittal (when not a public record), suspense copies when reply has been received, routine requests for information and publication, tracer letters, and other duplicate copies no longer needed.	X	X	3 months		3 months
14	Original documents disposable upon occurrence of an event or an action (i.e., audit, job completion, completion of contract, etc.) or upon obsolescence, supersession, revocation	X		2 years	3 years	5 years
15	Policy files and reference sets of publications		X	Indefinite		Indefinite
16	Duplicates or non-record documents required for administrative needs but destroyable on occurrence of an event or an action		X	Indefinite		Indefinite



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PURCHASING

POLICY #8

April 25, 2024

1. To purchase small items — such as office supplies, auto parts, and other miscellaneous items costing less than \$1,000 — vendors will be asked to submit pricing information by telephone or written quotation. District accounts are then awarded to those firms that provide the best price, discount, service, etc. Acquisitions are processed on purchase order forms that list instructions to vendors.

2. To purchase items costing more than \$1,000 and up to \$20,000 quotations will be solicited from vendors and received by telephone or written quotation. Quotations will be solicited from at least two sources before selecting a supplier and processing a purchase order. The Chair of the Board of Directors or the CFO must approve purchase orders.

3. For items over \$20,000 or orders of large quantities, the District will provide suppliers with a list of items to be purchased. Suppliers will provide written quotes for consideration and recommendation. District staff will then present written quotes to the Board of Directors for award of contract. Items on the list will be purchased from the supplier quoting the lowest prices, with an acceptable delivery date.

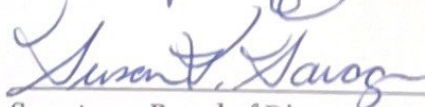
4. Vehicles will be purchased through the State's Contract for Fleet Vehicles, unless they can be acquired at the same cost or less expensively from local sources by competitive quotation bids in accordance with section 2.

5. This policy covers the purchase of goods, not services and not public works construction services. Those matters are addressed in other policies of the District.

Approval Signatures:


Chair, Board of Directors

4/25/2024
Date


Secretary, Board of Directors

4/25/2024
Date



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ACCOUNTS RECEIVABLE

POLICY #9

April 25, 2024

1. It is the policy of the District that accounts receivable be reviewed monthly, as it is critical to the cash flow of the District and requires continued follow-up and attention.

2. Procedures:

a) The accounts receivable balances are reviewed monthly by the Chief Financial Officer or Treasurer, along with assigned staff.

b) Notices are sent for all accounts 30 or more days past their due date.

c) Finance charges of one percent (1%) per month are assessed on all accounts past due.

d) Credit memos are limited to control of the CFO or designee.

e) At month-end closing, an accounts receivable schedule is prepared, reviewed, and reconciled to the General Ledger. The trial balance report is compared to the General Ledger for accuracy.

f) An appropriate allowance for bad debt is carried on the Balance Sheet. Every attempt is made for collection. At year-end it is determined if there are uncollectible items and, if so, those are written off by the Agency Administrator or designee. Any amount over the approved allowance for bad debt must be approved by the Board of Directors prior to write off.

Approval Signatures:

Chair, Board of Directors

Date

Secretary, Board of Directors

Date



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CODE OF ETHICS

POLICY #10

April 25, 2024

1. Background information:

The Mendocino Coast Health Care District designed its Code of Ethics & Values (the “Code”) to provide clear, positive statements of ethical behavior reflecting the core values of the District and the communities it serves. The Code includes practical strategies for addressing ethical questions and a useful framework for decision-making and handling the day-to-day operations of the District. The Code is developed to reflect the issues and concerns of today's complex and diverse society.

2. Goals of the code of ethics & values:

- a) To make the Mendocino Coast Health Care District a better District built on mutual respect and trust.
- b) To promote and maintain the highest standards of personal and professional conduct among all involved in District government, District staff, volunteers and members of the District's Board. All elected and appointed officials, officers, employees, members of advisory committees, and volunteers of the District, herein called “Officials” for the purposes of this policy.
- c) The Code is a touchstone for members of District Board and staff in fulfilling their roles and responsibilities.

3. Preamble:

- a) The proper operation of democratic government requires that decision-makers be independent, impartial and accountable to the people they serve. The Mendocino Coast Health Care District has adopted this Code to promote and maintain the highest standards of personal and professional conduct in the District's government.
- b) All Officials, and others, who participate in the District's government are required to subscribe to this Code, understand how it applies to their specific responsibilities and practice its eight core values in their work. Because we seek public confidence in the District's services and public trust of its decision-makers, our decisions and our work must meet the most demanding ethical standards and demonstrate the highest levels of achievement in following this Code.

4. Applicability:

This Code shall apply to all District Officials as defined in 2b.

5. Core Value:

As participatory Officials in the District's government, we subscribe to the following Core Values:

6. As a representative of the Mendocino Coast Health Care District, I will be ethical.

In practice, this value looks like:

- a) I am trustworthy, acting with the utmost integrity and moral courage. I am truthful. I do what I say I will do. I am dependable.
- b) I make impartial decisions, free of bribes, unlawful gifts, narrow political interests, financial, and other personal interests that impair my independence of judgment or action.
- c) I am fair, distributing benefits and burdens according to consistent and equitable criteria.
- d) I extend equal opportunities and due process to all parties in matters under consideration. If I engage in unilateral meetings and discussions, I do so without making voting decisions or any improper or unauthorized representations on behalf of the District.
- e) I show respect for persons, confidences, and information designated as "confidential."
- f) I use my title(s) only when conducting official District business for information purposes or as an indication of background and expertise carefully considering whether I am exceeding or appearing to exceed my authority.
- g) I will avoid actions that might cause the public or others to question my independent judgment.
- h) I maintain a constructive, creative, and practical attitude toward the District's affairs and a deep sense of social responsibility as a trusted public servant.

7. As a representative of the Mendocino Coast Health Care District, I will be professional.

In practice, this value looks like:

- a) I apply my knowledge and expertise to my assigned activities and to the interpersonal relationships that are part of my job in a consistent, confident, competent and productive manner.
- b) I approach my job and work-related relationships with a positive, collaborative attitude.
- c) I keep my professional education, knowledge, and skills current and growing.

8. As a Representative of the Mendocino Coast Health Care District, I will be service-oriented.

In practice, this value looks like:

- a) I provide friendly, receptive, courteous service to everyone.
- b) I attune to and care about the needs and issues of citizens, public Officials and District workers.
- c) In my interactions with constituents, I am interested, engaged and responsive.

9. As a representative of the Mendocino Coast Health Care District, I will be fiscally responsible.

In practice, this value looks like:

- a) I make decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the District, especially its financial stability.
- b) I demonstrate concern for the proper use of District assets (e.g., personnel, time, property, equipment, funds) and follow established procedures.
- c) I make good financial decisions that seek to preserve programs and services for District residents.
- d) I have knowledge of and adhere to the District's Purchasing and Contracting and Allocation of Funds Policies.

10. As a representative of the Mendocino Coast Health Care District, I will be organized.
In practice, this value looks like:

- a) I act in an efficient manner, making decisions and recommendations based upon research and facts, taking into consideration short and long term goals.
- b) I follow through in a responsible way, keeping others informed and responding in a timely fashion.
- c) I am respectful of established District processes and guidelines.

11. As a representative of the Mendocino Coast Health Care District, I will be communicative.
In practice, this value looks like:

- a) I positively convey the District's care for and commitment to its citizens.
- b) I communicate in various ways, that I am approachable, open-minded, and willing to participate in dialog.
- c) I engage in effective two-way communication, by listening carefully, asking questions, and determining an appropriate response which adds value to conversations.

12. As a representative of the Mendocino Coast Health Care District, I will be collaborative.
In practice, this value looks like:

- a) I act in a cooperative manner with groups and other individuals, working together in a spirit of tolerance and understanding.
- b) I work towards consensus building and gain value from diverse opinions.
- c) I accomplish the goals and responsibilities of my individual position, while respecting my role as a member of a team.
- d) I consider the broader regional and state-wide implications of the District's decisions and issues.

13. As a representative of the Mendocino Coast Health Care District, I will be progressive.
In practice, this value looks like:

- a) I exhibit a proactive, innovative approach to setting goals and conducting the District's business.
- b) I display a style that maintains consistent standards; but is also sensitive to the need for compromise, "thinking outside the box" and improving existing paradigms when necessary.
- c) I promote intelligent and thoughtful innovation in order to forward the District's policy agenda and District services.

14. Enforcement:

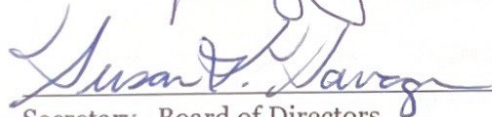
Any Official found to be in violation of this Code may be subject to Censure by the District Board. Any member of any advisory Committee found in violation may be subject to dismissal from the Committee. In the case of an employee, appropriate action shall be taken by the agency administrator or by an authorized designee.

Approval Signatures:



Chair, Board of Directors

4/25/2024
Date



Secretary, Board of Directors

4/25/2024
Date



DISPOSITION OF DISTRICT-OWNED SURPLUS/OBSOLETE EQUIPMENT AND SUPPLIES

POLICY #11

May 23, 2024

1. PURPOSE

The intent of this policy is to establish uniform guidelines for the disposal or transfer of surplus, or obsolete District equipment and supplies. This policy excludes the transfer, sale, or other disposal of real property.

2. DEFINITIONS

“Equipment” shall mean all tangible District property that has a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. This definition includes property used in the provision of District health care services and responsibilities.

“Supplies” shall mean all tangible District property, other than Equipment, having a useful life of less than one year and an acquisition cost of \$5,000 or more per unit.

“Surplus or obsolete equipment” shall mean tangible property which the district determines is no longer required for its needs or for the fulfillment of its responsibilities.

“Fair Market Value” shall mean the most probable price which equipment or supplies should bring in a competitive and open market.

“Net proceeds from the sale of surplus or excess property” shall mean the amount Realized from the sale of property no longer needed for district purposes less the expenses of any actual and reasonable selling and fixing up expenses.

“Service Life or Useful Life” begins on the date the equipment or vehicle is placed in revenue service and continues until it is removed from service.

“Straight Line Depreciation” shall mean the method by which the value of District equipment is depreciated (reduced) over its service or useful life as a percentage of its cost.

3. POLICY

A. Disposition of Surplus Equipment and Supplies

If the estimated fair market value, as determined by the agency administrator or designee, does not exceed \$25,000, a negotiated sale may be conducted and sale of the item concluded at the price determined to be fair and reasonable without competitive bids.

If the estimated fair market value, as determined by the agency administrator or designee, is greater than \$25,000, but does not exceed \$100,000, the Chief administrative officer's approval shall be obtained prior to any sale. Information provided to the Chief Administrative Officer shall, as a minimum, identify the buyer and the supporting documentation behind the sale at that value.

If the estimated fair market value, as determined by the agency administrator or designee, is greater than \$100,000 or the sales price is less than the determined fair market value, Board of Director's approval shall be obtained prior to any sale. Information provided to the Board of Directors shall, at a minimum, identify the buyer and the supporting documentation behind the sale at that value.

B. Methods of Disposition of Tangible Property

Approved methods for the disposition of surplus or obsolete tangible property shall include: 1) trade-in as part of a new procurement; 2) transfer or sale to other public agencies; 3) transfer to nonprofit agencies or organizations consistent with established legal parameters; 4) sale by auction open to the public; 5) solicitation of sealed bids or negotiated sale - whichever maximizes the disposal value to the District; or 6) disposal through scrapping.

C. Prohibited Sales

Except in the case where surplus or obsolete District property is sold at public auction conducted by an independent third party auctioneer, members of the Board of Directors and or employees of the District or persons acting as agents of the foregoing, shall not be permitted to purchase at the sale.

D. Reports to the Board of Directors

On a quarterly basis, the agency administrator shall provide, as an information item to the Board, a report of the activities relating to the disposal of surplus or obsolete property describing the identification of property, type of items disposed of, original purchase price information and dates, the gross sales price, and the net proceeds to the District.

4. AUTHORITY

A. Board Authority - Disposition Authorization

The Board of Directors shall authorize the disposal of any surplus or obsolete tangible equipment or supplies having an original acquisition cost exceeding \$100,000. The staff report to the Board recommending disposition shall include acquisition cost, source of funding, funding agency and reimbursement to the funding agency if required.

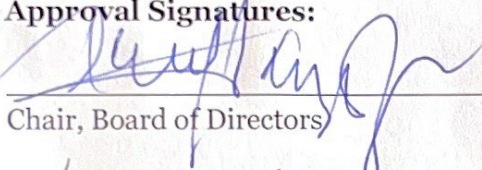
B. Agency Administrator's Authority - Disposition Authorization

The agency administrator may authorize the disposal of any surplus or obsolete tangible equipment or supplies having an original acquisition cost not exceeding \$100,000,

providing the useful life of said equipment or supplies have been met and with supporting documentation of the negotiated sale. The agency administrator is authorized to sell or dispose of surplus or obsolete tangible equipment or supplies when it is judged to be in the best interest of the organization that the property concerned has an estimated market value of up to \$25,000 per unit, without competitive bid.

- C. District personnel responsible for monitoring use and disposal of surplus equipment and/or supplies under their custody may seek the Board of Directors approval for an exception to this policy when it is in the best interest of the District.

Approval Signatures:



Chair, Board of Directors

5/23/24

Date



Secretary, Board of Directors

5/23/24

Date



Mendocino Coast Health Care District Travel Reimbursement Policy September 26, 2024

The purpose of this policy is to establish a travel and expense reimbursement policy for the Mendocino Coast Health Care District (the District). This policy applies to both Board Members and employees who incur actual and necessary expenses in the performance of official duties, including attendance at business or professional conferences and training seminars on behalf of the District, or other travel on authorized District business. In this policy, the term “employee” includes contractors for the District for whom the District reimburses expenses.

It is the intent of the District to assure compliance with IRS regulations and California Government Code Section 53232.2 specifically relating to Board member reimbursements.

Authorization of Board Expenses

It is in the best interests of the District to maintain Board member participation in professional, community and industry organizations. Expenses incurred by members of the Board of Directors in attending meetings and conferences of the following organizations and functions are hereby designated as reimbursable:

- 1.1 Meetings of organizations in which the District is an active member (e.g. Association of California Health Care Districts, California Special Districts Association).
- 1.2 Meetings directly related to the conduct of District business. Included in this category are groundbreaking and special events sponsored by healthcare organizations, both governmental and non-profit, receiving financial support from the District.
- 1.3 Meetings of non-political community groups that extend a specific invitation to attend and at which the Board member actively participates in the program.
- 1.4 Attendance at symposia and educational events, the primary purpose of which is to elucidate or update industry members on health care issues or matters relating to special districts or district board administration.

All other expenditures by Board members require specific prior approval at a regular meeting of the Board.

Authorization of Employee Expenses



Attendance by employees at events approved for Board attendance is appropriate, subject to prior approval by the General Manager or designee. In addition, special training sessions and other unique one-time meetings or situations may be pre-approved by the General Manager or designee on a case by case basis.

PROCEDURE

Reimbursement of business-related expenses pursuant to this policy is usually not considered income to the person seeking reimbursement; however, all requests for reimbursement must be substantiated, including documentation of the reason for the expense, accompanied by itemized expenses with original receipts, prior to reimbursement.

1. Required Forms and Procedures

The General Manager or designee, will establish such forms as are necessary and appropriate to provide accurate records of travel requests and travel expense reimbursement. It is the responsibility of the individual seeking reimbursement to obtain and submit documentation for every expense. Reimbursement of expenses incurred pursuant to this policy or with prior board approval, shall be made upon submission of appropriate expense forms and receipts. Applicable receipts must be submitted with the board member or employee's name and nature of the business documented.

2. Per Diem Transportation Expenses

Use of air, train, private car or bus shall be selected on the basis of the most reasonable and appropriate method, taking into consideration distance, time and total costs to the District, after all expense items are tabulated. If the use of a personal automobile is required for approved District business, the District will reimburse for mileage at the prevailing IRS reimbursement rate on a per vehicle basis, regardless of the number of passengers. Use of a privately owned vehicle on District business requires the driver to possess a valid California driver's license and to carry the minimum automobile insurance required by law, and the District retains the right to request proof of insurance. Any damages to a personal vehicle or service repairs are of a personal nature, and are not reimbursed by the District. Expenses such as tolls and parking will be fully reimbursed upon presentation of the receipt. When the use of public air carrier transportation is approved, travel for all personnel shall be in coach class or equivalent service.

While traveling, the use of rental vehicles is discouraged. Courtesy shuttle service, buses, or limousine service should be utilized between airports and meeting locations. When rental vehicles are used, the least expensive vehicle practical will be used.

3. Meal Expenses

The maximum daily meal allowance is \$80.00 (which includes taxes and tips) per person, per day, as established by the United States General Services Administration. Expenses shall not exceed the daily meal limit amounts set, regardless of the amount of receipts



submitted. Meals that are included in conference registration fees will not be an allowable expense. If the rates set by the United States General Services Administration exceed those established in this policy, the federal government rates/allowances shall supersede.

4. Lodging Expenses

The cost of lodging accommodations for approved conferences, seminars or meetings will be arranged in advance directly by the District staff or reimbursed to the Board Member or employee as outlined in the following paragraphs. In the case of advance arrangements approved by the General Manager, a check will be issued to the traveler prior to departure which will cover all hotel/motel charges, including parking.

Hotel and motel charges shall be based on single occupancy rates, and to the extent possible will be at government or group rates. The District will not reimburse Board Members or employees for lodging expenses incurred by family members when an Board Member's or employee's family accompanies them, or for any charges for additional guests in the same room. In instances where conference hotels are filled, the Board Member or employee should attempt to secure comparable rates at the nearest hotel.

5. Unauthorized Expenses

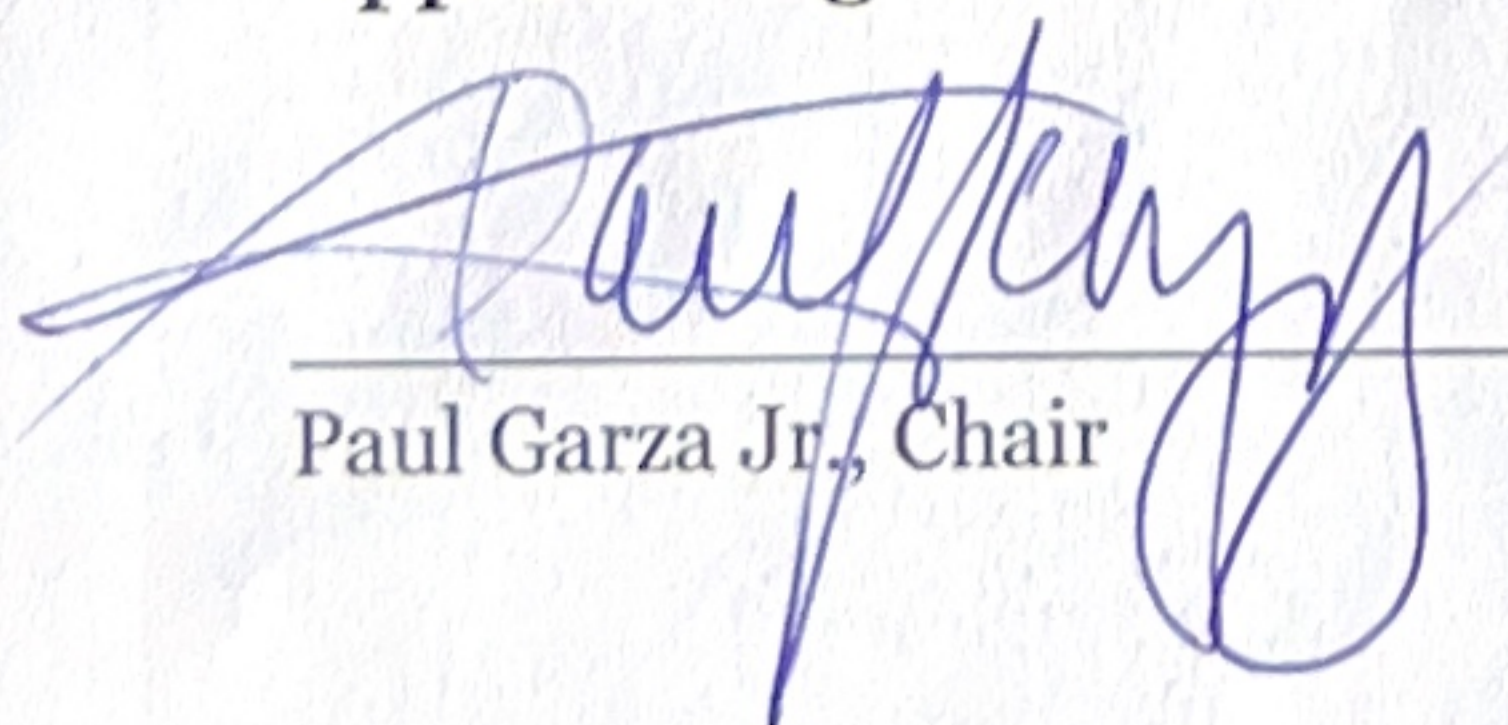
Items of personal nature are not reimbursable including: movies, entertainment, premium television services, alcoholic beverages, dry-cleaning, spas, gyms, barber, magazines, shoeshine, travel insurance, purchase of clothing or toiletries, loss of tickets, fines or traffic violations, excess baggage, spouse and/or guest accommodations, office equipment and other personal items. Quasi-social events such as retirement or political events, are not reimbursable.

If unauthorized expenses have been paid by the District, (i.e., via credit card or petty cash), the Board member or employee will be responsible for immediate reimbursement to the District, either by personal check or an authorized payroll deduction. Unauthorized expenses that are not immediately reimbursed shall be classified as income to the person reimbursed, and may be prohibited by law.

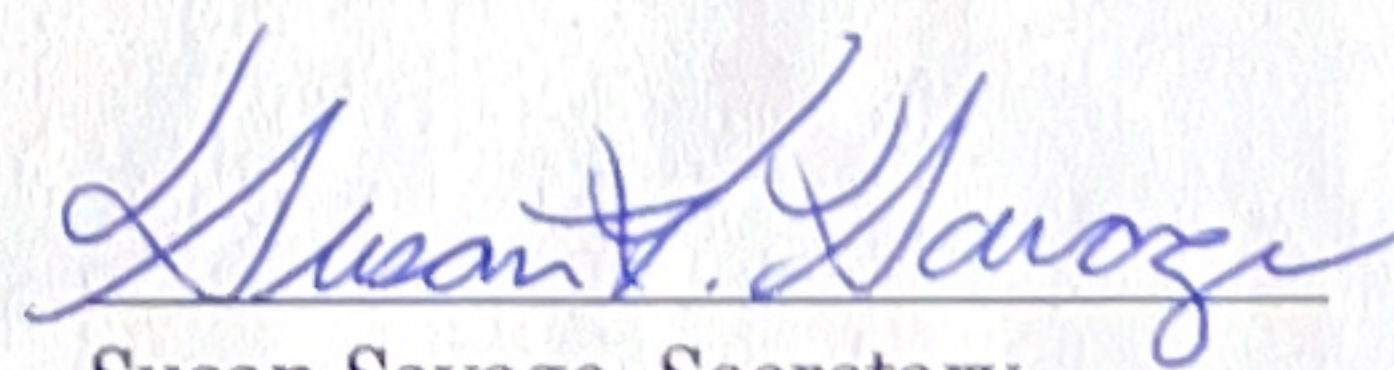
6. Reports

Pursuant to Government Code § 53232.3, Board Members shall make a brief report on meetings or events attended for which expenses are reimbursed, at the next regular meeting of the Board.

Approval Signatures:



Paul Garza Jr., Chair



Susan Savage, Secretary