

**NORTH SOUND BEHAVIORAL HEALTH ORGANIZATION  
COUNTY AUTHORITIES EXECUTIVE COMMITTEE**

**May 12, 2016  
1:30 PM**

**AGENDA**

1. **Call to Order; Introductions – Chair Dahlstedt**
2. **Revisions to the Agenda – Chair Dahlstedt**
3. **Approval of Minutes of May 12, 2016, Motion #16-63 – Chair Dahlstedt..... 3-15**
4. **Comments & Announcements from the Chair**
5. **Reports from Members**
6. **Comments from the Public**
7. **Report from the Advisory Board – David Kincheloe, Chair ..... Tab 1**
8. **Committee Reports ..... Tab 2**
9. **Report from the Executive Director ..... Tab 3**
10. **Report from the Finance Officer ..... Tab 4**
11. **Report from the Governance Operations Committee**
  - **Consent Agenda – Ken Mann – Motion # 16-64**

All matters listed with the Consent Agenda have been distributed to each Member for reading and study, are considered to be routine, and will be enacted by one action of the Executive Committee with no separate discussion. If separate discussion is desired, the item may be removed from the Consent Agenda and placed on the Regular Agenda by request of a Member.

To review and approve the North Sound Mental Health Administration’s claims paid from May 1, 2016 through May 31, 2016 in the amount of \$(will be provided at the meeting). Payroll for the month of May in the amount of \$(will be provided at the meeting) and associated employer benefits in the amount of \$(will be provided at the meeting).

**12. Action Items**

**Ratification**

The following motion is being presented to the North Sound BHO Executive Committee for ratification. The contracts went into effect when signed by all parties (“effective date”) and are fully enforceable. These contracts will terminate thirty (30) days after the effective date if not ratified by the Executive Committee.

### **Behavioral Health State Contract**

Snohomish County is requesting additional funding for a Supervisor Position in the ITA program due to an increased workload.

### **Motion #16-65**

To ratify the following contract:

NORTH SOUND BHO-SNOHOMISH COUNTY-BHSC-16-18

#### **Contract details for Motion #16-65:**

NORTH SOUND BHO-SNOHOMISH COUNTY-BHSC-16-18 for the purpose of increasing funding by \$317,160 for a new maximum consideration of \$5,022,751.50 with the term of the contract remaining April 1, 2016 through March 31, 2018.

### **North Sound BHO Pay Structure**

Based on the market survey completed by the consulting firm of Compensation Works, the North Sound BHO is recommending the approval and implementation of the salary grid for all staff (see attached).

### **Motion #16-66**

To approve the recommended salary structure for implementation on July 1, 2016.

### **Pay Structure for Executive Director**

At the direction of the Executive Committee, the consulting firm of Compensation Works provided recommendations on Executive pay based on a market analysis. At the request of the Executive Committee the North Sound BHO has developed minimum, mid-point and maximum compensation ranges based on the work of the consultant. The proposals have been provided to the Governance Operations Committee for review (see attached).

### **Motion #16-67**

To approve the Governance Operations Committee's recommendation on Executive pay based on the work of the consultant for implementation on July 1, 2016.

## **13. Discussion Item**

North Sound BHO will be developing a Request for Qualifications for an expansion of SUD services. The RFQ will encourage applicants to become dually certified and be innovative in service delivery. The expansion will accomplish the following:

- Diversify the geographic availability of services
- Acquire specialty service providers
- Increase access to Opiate Substitution Treatment
- Increase access to Recovery Housing
- Increase access to withdrawal management services, and
- Increase overall access to outpatient services.

## **14. Adjourn**

**NORTH SOUND BEHAVIORAL HEALTH ORGANIZATION  
COUNTY AUTHORITIES EXECUTIVE COMMITTEE**

**May 12, 2016  
1:30 PM**

**MINUTES**

**Members Present:**

Ken Mann, Whatcom County Councilmember, Acting Chair  
Barbara LaBrash, representing San Juan County Councilmember, Jamie Stephens  
Cammy Hart-Anderson, representing Snohomish County Executive, Dave Somers  
Jackie Mitchell, representing Whatcom County Executive, Jack Louws  
Lynda Richards, representing Island County Commissioner, Jill Johnson  
Robert Knoll, representing Snohomish County Councilmember, Brian Sullivan  
Rebecca Clark, representing Skagit County Commissioner, Ken Dahlstedt

**Staff Present:**

Joe Valentine, Betsy Kruse, Bill Whitlock, Carolyn Radach, Linda Crothers, Christy Sundholm,  
Annette Calder

**Guests:**

Brad Furlong, North Sound BHO legal counsel

**1. Call to Order; Introductions**

Ken Mann opened the meeting at 1:30, welcomed everyone and introductions were made.

**2. Revisions to the Agenda**

None

**3. Approval of Minutes of April 14, 2016**

Chair Mann asked if there were any changes to the minutes of April 14<sup>th</sup>, there were none. Barbara LaBrash moved approval, seconded by Rebecca Clark, all in favor, **motion carried, #16-55.**

**4. Comments & Announcements from the Chair**

None

**5. Reports from Members**

Cammy reported a children's and youth mental wellness fair was held last weekend with more than 744 individuals attended. Information focused on everything from infants to teenagers; Cammy shared a flyer with the group and was congratulated on the success of the event.

Barbara LaBrash shared that San Juan County is making progress on hiring the Orcas/Lopez mental health professional.

**6. Comments from the Public**

None

## **7. Briefing on Resolution #16-02, Delegation of Authority – Brad Furlong, legal counsel**

Brad Furlong addressed the committee regarding Resolution 16-02, noting this was introduced last month with a memo highlighting areas being delegated. Brad noted that some comments and requested changes came out of that meeting and changes were made in respect to creating staff positions. Brad also explained the provision to allow contracts over \$25,000 to be entered into and then ratified at the next meeting of the County Authorities Executive Committee and has included language in the contracts noting they are subject to ratification by this committee or they are void. Brad noted other changes that were cleaned up and all of the changes this organization has been through over the last year, stating that he thinks this organization is way ahead of most in adapting to these changes. Brad was thanked for attending.

New staff members were introduced at this time: Linda Crothers and Christy Sundholm, SUD Quality Specialists, and Carolyn Radach, Office Assistant, were all introduced and each provided some information on their individual backgrounds. All were welcomed to the organization.

## **8. Briefing on Exclusionary Checks**

Lisa Grosso, Compliance Officer, addressed the committee on the purpose behind the exclusionary checks as required by the Office of Inspector General, Health and Human Services. Any individual who has been convicted of Medicaid fraud is excluded from being paid with Medicaid funds and this also includes entities and they can also be excluded. Joe added that we provided this briefing to let the Committee know that there may be an instance when we have to contact a member or their alternate to get additional information to run the check. Lisa was thanked for her report.

## **9. Report from the Advisory Board**

Joe noted that David was unable to attend today and the Advisory Board report was included behind Tab 1. Joe added that the Advisory Board is having its annual retreat in July and is also holding the Poster and Poetry contest again this year.

## **10. Committee Reports**

The Quality Management Oversight Committee report is included behind Tab 2. The Planning Committee has not met since the last meeting of this committee.

## **11.. Report from the Executive Director**

Joe directed the group to Tab 3 and discussed the Executive Director's report that included: State budget and legislative updates, the Governor's Behavioral Integration Workgroup and it's Crisis and Non-Medicaid Services Subcommittee, relocation of behavioral health facilities at the North Cascade Gateway Center, Same Day Access, Tribal concerns regarding their role on the BHO Executive Committee, and the development of new mission and vision statements for the BHO. Discussion took place throughout and Joe was thanked for his report.

## **12. Report from the Finance Officer**

Bill Whitlock directed the group to Tab 4 and reviewed the April Financial Statements. Bill discussed the increased revenues, SUD providers not having turned in data yet and paying budget payments to the outpatient providers until they have ability to submit data and this will be cleaned up in the six month reconciliation. Bill also discussed not having the data from the residential providers, noting that we have created a paper system for collecting the data in the meantime. Bill was thanked for his report.

## **13. Report from the Governance & Operations Committee**

Ken Mann said he would combine agenda items 13 and 14, reporting the Governance and Operations Committee met prior to this meeting. Ken noted he reviewed the warrants from last month and

moved approval of the Consent Agenda, seconded by Barbara LaBrash, all in favor, **motion carried, #16-56.**

#### **14. Report from the Finance Committee**

- **Approval of the Consent Agenda, Motion #16-56**

All matters listed with the Consent Agenda have been distributed to each Member for reading and study, are considered to be routine, and will be enacted by one action of the Executive Committee with no separate discussion. If separate discussion is desired, the item may be removed from the Consent Agenda and placed on the Regular Agenda by request of a Member.

To review and approve the North Sound Mental Health Administration's claims paid from April 1, 2016 through April 30, 2016 in the amount of \$12,522,791.69. Payroll for the month of April in the amount of \$206,756.72 and associated employer benefits in the amount of \$133,841.01.

#### **15. Action Items**

##### **Professional Service Contracts**

##### **Motion #16-57**

To approve the following contract amendments:

NORTH SOUND BHO-PHOENIX RECOVERY-PSC-16 Amendment 1

NORTH SOUND BHO-THERAPEUTIC HEALTH SERVICES-PSC-16 Amendment 1

NORTH SOUND BHO-BRIDGWAYS-ELECTRONIC HEALTH RECORD-PSC-1 Amendment

4

NORTH SOUND BHO-LAKE WHATCOM CENTER-PSC-16

Joe explained the four different Professional Services Contracts. Cammy Hart Anderson moved approval, seconded by Jackie Mitchell, all in favor, **motion carried, #16-57.**

##### **Contract details for Motion #16-57:**

NORTH SOUND BHO-PHOENIX RECOVERY-PSC-16 Amendment 1 for the purpose of providing additional administrative funds to build the infrastructure and capacity to provide Medicaid funded SUD services in the region in the amount of \$19,800. The new maximum consideration on this contract is \$40,000 with the term of the agreement remaining the same February 15, 2016 through December 31, 2016.

NORTH SOUND BHO-THERAPEUTIC HEALTH SERVICES-PSC-16 Amendment 1 for the purpose of providing additional administrative funds to build the infrastructure and capacity to provide Medicaid funded SUD services in the region in the amount of \$205,000. The new maximum consideration on this contract is \$345,000 with the term of the agreement remaining the same February 15, 2016 through December 31, 2016.

NORTH SOUND BHO-BRIDGWAYS-ELECTRONIC HEALTH RECORD-PSC-1 Amendment 4 for the purpose of providing additional administrative funds to complete the development of an Electronic Health Record in the amount of \$56,000. The new maximum consideration on this contract is \$195,452 with the term of the agreement extended from November 1, 2012 through December 31, 2016.

NORTH SOUND BHO-LAKE WHATCOM CENTER-PSC-16 for the purpose of providing funding to develop the infrastructure and programming at a new SUD residential facility. The maximum consideration on this contract is \$486,975 with the term of the contract April 1, 2016 through December 31, 2017.

## **Medicaid Contract**

### **Motion #16-58**

To approve NORTH SOUND BHO-VOLUNTEERS OF AMERICA-MEDICAID-16-18 Amendment 1 for the purpose of providing additional Medicaid funds for Suicide Intervention online chat and for the rising cost of doing business in the North Sound in the amount of \$227,640. The new maximum consideration on this agreement is \$5,037,025 with the term of April 1, 2016 through March 31, 2018.

## **Behavioral Health State Contract**

### **Motion #16-59**

To approve NORTH SOUND BHO-VOLUNTEERS OF AMERICA-BHSC-16-18 Amendment 1 for the purpose of providing additional State funds for Suicide Intervention online chat and for the rising cost of doing business in the North Sound in the amount of \$235,065.96. The new maximum consideration on this agreement is \$1,221,673 with the term of April 1, 2016 through March 31, 2018.

Joe explained motions #16-58 and #16-59, one with Medicaid funding and the other with State funds. Barbara LaBrash moved approval of motions #16-58 and #16-59, seconded by Cammy Hart-Anderson, all in favor, **motions carried, #16-58 and #16-59.**

## **Relias Online Learning**

### **Motion #16-60**

To authorize the Executive Director to increase up to 300 additional learners and one additional portal for a new SUD provider on the Relias online learning system for fiscal year 2016. The estimated annual cost of this increase is \$16,085.40 annually and a one-time fee of \$500 for a new sub portal for an estimated new annual subscription amount is \$110,280.

Joe provided an overview of motion #16-60. Barbara LaBrash moved approval, seconded by Rebecca Clark, all in favor, **motion carried, #16-60.**

## **Delegation of Authority, Resolution No. 16-02**

Joe directed the group to Tab 5 and noted this is the Resolution that Brad Furlong briefed the Committee on today, to approve Resolution No. 16-02 thereby delegating administrative powers and duties to the Executive Director (North Sound BHO Administrator) of the North Sound BHO as outlined in the resolution.

Cammy Hart-Anderson moved approval of Resolution #16-02, seconded by Barbara LaBrash, all in favor, **Resolution Passed Unanimously, #16-02, (see end of document for full Resolution; signed copy on file).**

## **Establishing the Governance-Operations Subcommittee, Resolution #16-03**

To approve No. Resolution 16-03 for the purpose of establishing the Governance-Operations Committee as a subcommittee of the Executive Committee.

Joe explained prior to April 1<sup>st</sup> this committee was known as the Board of Directors and now is the Executive Committee, the Governance and Operations Committee was the Executive Personnel Committee and Finance Committee. The former inter-local agreement didn't address the committees and now that we've converted to a LLC we want to formalize the structure. This Resolution creates the Governance and Operations Committee that takes the place of both the Executive/Personnel and Finance Committees.

Jackie Mitchell moved approval of Resolution #16-03, seconded by Rebecca Clark, all in favor, **Resolution #16-03 passed unanimously, (see end of document for full Resolution, signed copy on file).**

### **Charter for the Governance-Operations Subcommittee**

#### **Motion #16-61**

To approve the Charter for the Governance Operations Committee, a subcommittee of the Executive Committee.

Joe explained this motion adopts a charter for the Governance Operations Committee. Barbara LaBrash moved approval, seconded by Cammy Hart-Anderson, all in favor, **motion carried, #16-61.**

### **Budget Amendment**

#### **Motion #16-62**

To approve the transfer funds, increasing NSMHA Operating Budget 2015 Machinery & Equipment in the amount of \$2,000 and decrease NSMHA Operating Budget 2015 Regular Salaries in the amount of \$2,000

Joe noted this was the budget amendment that Bill discussed in his report. Jackie Mitchell moved approval, seconded by Rebecca Clark, all in favor, **motion carried, #16-62.**

### **16. Introduction Items**

Joe provided an overview of the introduction items listed below.

#### **Behavioral Health State Contract**

Snohomish County is requesting additional funding for a Supervisor Position in the ITA program due to an increased workload.

NORTH SOUND BHO-SNOHOMISH COUNTY-BHSC-16-18 for the purpose of increasing funding by \$317,160 for a new maximum consideration of \$5,022,751.50 with the term of the contract remaining April 1, 2016 through March 31, 2018.

#### **North Sound BHO Pay Structure**

Based on the market survey completed by the consulting firm of Compensation Works, the North Sound BHO is recommending the approval and implementation of the salary grid for all staff. The grid accomplishes the following:

- Places positions at market level to improve recruitment and encourage retention
- The pay structure is a 2% upward adjustment
- Midpoint progressions range from 5%-10% depending on position
- The total cost for 2016 to North Sound BHO \*inclusive of payroll and benefits is \$5,168,225 – this is an increase in funding of \$64,957 for 2016, lower than expected due to lagging recruitment
- The total cost for 2017 to the North Sound BHO inclusive of payroll and benefits is \$5,669,793-if fully staffed this will be an increase of \$566,525 over our adopted 2016 budget
- Implementation of the new pay structure will take effect on July 1, 2016

\*salaries, health benefits, social security, workers comp., unemployment insurance and retirement

To approve the recommended salary structure for implementation on July 1, 2016.

### **Pay Structure for Executive Director**

At the direction of the Executive Committee, the consulting firm of Compensation Works provided recommendations on Executive pay based on a market analysis. At the request of the Executive Committee the North Sound BHO has developed minimum, mid-point and maximum compensation ranges based on the work of the consultant. The proposals have been provided to the Governance and Operations Committee for review.

At the June Executive Committee meeting the executive pay shall be presented and approved by the Executive Committee.

### **17. Adjourn**

Ken Mann asked if there was any other business, there was none. The meeting was adjourned at 2:30.

Respectfully submitted:

Annette Calder  
Executive Assistant

Next Meeting: June 9, 2016

## RESOLUTION NO. 16-02

### **A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE NORTH SOUND BEHAVIORAL HEALTH ORGANIZATION, LLC DELEGATING CERTAIN ADMINISTRATIVE POWERS AND DUTIES TO THE NORTH SOUND BHO ADMINISTRATOR AND DESIGNEES.**

**WHEREAS**, the North Sound Behavioral Health Organization, LLC, a Washington limited liability company (“North Sound”) received a certificate of formation from the Washington Secretary of State dated February 4, 2016; and

**WHEREAS**, the members of North Sound agreed to and adopted a Joint County Authority BHO Operating Agreement (“Operating Agreement”); and

**WHEREAS**, the Operating Agreement vests North Sound’s Executive Committee with the duty and power to operate and administer the affairs of North Sound, which authority and power it may delegate to the North Sound BHO Administrator (“Administrator”); and

**WHEREAS**, the Executive Committee now wishes to provide a master policy directive on the delegated administrative powers and duties of the Administrator;

**NOW, THEREFORE, BE IT RESOLVED** by the North Sound Executive Committee as follows:

Section 1. The master policy directive of the Executive Committee of North Sound as set forth herein is adopted for the purpose of establishing the delegated administrative powers and duties of the Administrator. This policy directive shall be reviewed by the Executive Committee and the Administrator no later than December 31, 2017 and annually thereafter. Terms used herein that are capitalized but not defined shall have the same meaning as used in the Operating Agreement.

Section 2. All portions of resolutions heretofore approved by the Board of Directors of North Sound’s predecessor organization, North Sound Regional Support Network, d/b/a North Sound Mental Health Administration, pertaining to the subject matters contained in this Resolution are hereby repealed without effect on any act carried out thereunder.

Section 3. The authority to adopt this resolution/policy is recognized in Section 5.3 of the Operating Agreement which authorizes the Executive Committee to delegate s and authority to the Administrator.

## **I. PREAMBLE**

1. The following master policy directive is adopted by the Executive Committee of North Sound for the purpose of establishing the administrative powers and duties of the Administrator who is responsible for administration and North Sound operations. The Administrator may further delegate, with appropriate oversight, to North Sound personnel such administrative authority as is necessary and advisable in the efficient exercise of the Administrator's powers and duties.

2. This policy sets forth specific delegations of power and duties from the Executive Committee to the Administrator. This policy shall not be interpreted to limit the duties or responsibilities of the Administrator as those duties are determined from time-to-time by the Executive Committee. In case of absence, the Administrator may designate one or more senior North Sound staff members to act in the place of the Administrator with regard to the powers and duties herein. Subject to the limits within this delegation, the responsibility for all administration and North Sound operations of North Sound rests with the BHO Administrator.

3. To implement delegations of authority to North Sound personnel, the Administrator shall, as in her or his discretion may be advisable, promulgate policy and procedural manuals, monetary and budgetary directives and other such documents as personnel position descriptions, affirmative action plans, safety manuals, etc. which shall provide a clear span of authority and responsibility to the designees of the Administrator.

4. Any Executive Committee directives or initiatives shall be made through the Administrator and shall be made only by the Executive Committee acting as a body of the whole. Those directives include but are not limited to any separately-adopted travel policy, contract terms and conditions, financial guidelines, and communications practices.

5. The phrase "administration and North Sound operations", as used herein, means the regular day-to-day business of North Sound, including but not limited to, operating, maintaining, and administering all of its properties, leasehold properties, facilities services and programs, including the implementation of construction work, alterations, repairs, maintenance, and improvements of North Sound's physical facilities; the necessary planning incidental thereto; the conduct of financial accounting and legal matters as they relate to North Sound's operations; the administration of all other operations which include personnel administration (*i.e.*, hiring, firing, salary and benefits, training, grievance procedures, task and project assignments, employee training and incentive programs, etc.); the execution and administration of contracts; and publishing of legal notices; and all other pertinent functions.

F. The Administrator shall inform the Executive Committee regarding significant information, incidents, and business transactions by methods agreeable to the Executive Committee. The Administrator shall report to the Executive Committee those actions as within this delegation. The Administrator is the managing official of North Sound, appointed by the Executive Committee, and holds office as its representative. Nothing

herein should be construed in any way as abrogating the duties and the responsibilities of the Executive Committee.

## **II. SPECIFIC DELEGATIONS**

Delegation to Administrator. The Executive Committee hereby recognizes that its specific powers and authority are set forth in Section 5.3 of the Operating Agreement. With respect to those specific powers and authorities set forth in said Section 5.3, the Executive Committee delegates to the Administrator the following powers and authority, subject to the limitations stated hereafter:

§5.3.1. The Administrator may enter into contracts with DSHS pursuant to the provisions of chapter 71.24 RCW so long as such contracts are within the standard operating parameters of North Sound, and provided that such contracts are:

- a. within the mission of North Sound;
- b. needed to timely provide services; and
- c. ratified at the next regular meeting of the Executive Committee.

§5.3.2. The Administrator may enter into contracts with individuals, public and private organizations, and individual counties, including with County Authorities subject to the Operating Agreement, to carry out the purposes of any contract with DSHS and other obligations of North Sound as defined in chapter

71.24 CW, subject to available funds and subject that such contracts are:

- a. within budget;
- b. within the mission of North Sound;
- c. needed to timely provide services; and
- d. ratified at the next regular meeting of the Executive Committee.

§5.3.3 The Administrator may accept and expend funds from the State of Washington, the Federal government, the other County Authorities, and from other public and private sources, including gifts, for activities and purposes related to chapter 71.24 RCW so long as such acceptance and expenditures are:

- a. pursuant to valid contracts;
- b. within the North Sound budget;
- c. ratified at the next regular meeting of the Executive Committee.

§5.3.4 The Administrator may prepare and submit to DSHS appropriate plans for behavioral health services in accordance with the provisions of chapter RCW and other

statutes and regulations governing behavioral health organizations in the state of Washington, so long as plans are timely provided to the Executive Committee and are within the mission of the organization.

#### §5.3.5

- a. The Administrator may hire and fire and otherwise discipline all necessary employees for North Sound. Additionally, the Administrator may create those employee positions which are necessary to carry out the mission of the organization, set compensation, create job duties and/or reclassify job duties so long as such decisions are within the mission of the organization and within budget; *provided*, that any new position shall be approved by the Executive Committee. The Administrator shall regularly update the Executive Committee as to Human Resources matters, including but not limited to, the significant hiring, firing and discipline of employees and work force issues and shall, at least annually, provide the Executive Committee with an organizational chart.
- b. The Administrator shall have the authority to hire consultants. Any consultant contract in excess of Twenty Five Thousand and no/100 Dollars (\$25,000.00) per annum shall be subject to ratification of the Executive Committee. All consultants hired shall be for services which are within the mission and budget of the organization. All consultant contracts shall be reported to the Executive Committee.
- c. The foregoing subparagraphs shall not be construed to limit or alter the specific delegations to the Administrator as set forth in subparts (i.) through (iv.) of Section 5.3.5 of the Operating Agreement

§5.3.6 Subject to the limitations herein stated, the Administrator may spend the capital and revenues of North Sound in the furtherance of the business of North Sound and the services it provides so long as such expenditures are within an adopted budget. Expenditures not in the budget or that exceed the budgetary amount shall be approved by the Executive Committee in a budget amendment as may be necessary.

§5.3.7 Subject to the limitations herein stated, the Administrator may acquire, approve, manage, lease, operate, sell, transfer, exchange and dispose of any real or personal property of North Sound so long as such actions are within the mission of the organization. No real property shall be acquired, leased, sold, transferred or exchanged without the approval of the Executive Committee.

§5.3.8 The Administrator shall purchase such insurance as deemed advisable in his or her sole discretion to protect North Sound's assets against losses or claims. Such insurance may extend to other entities as required by contract.

§5.3.9 The Administrator may enter into such management agreements, service agreements, provider agreements, consultants and professional agreements, maintenance

or other service agreements, rental agreements or any other agreements as set forth herein and as are within the mission and budget of the organization.

§5.3.10 The Administrator shall faithfully carry out the letter and spirit of RCW 71.24.350, as may be amended, to provide for and establish a separately funded ombuds office that is independent of North Sound and maximizes the use of consumer advocates.

§5.3.11 The Administrator shall establish such reserve funds as deemed prudent and as required by contracts. The Administrator shall inform the Executive Committee of any need for Capital Contributions from the County Authorities.

§5.3.12 The Administrator shall have the authority to execute instruments and documents on behalf of North Sound, including negotiable instruments, documents providing for the acquisition and disposition of North Sound's property, assignments, bills of sale, leases, management agreements, agreements and any other instruments or documents necessary to carry out the business and services of North Sound together with annual reports, amendments to annual reports and other reports and documents filed on North Sound's behalf with the State of Washington Secretary of State, State of Washington Department of Licensing, State of Washington Department of Revenue, State of Washington Employment Security Department and State of Washington Department of Labor & Industries or their successors, as long as the execution of such documents is otherwise consistent with the delegation of authority set forth in this Resolution.

§5.3.13 The Administrator may employ accountants, legal counsel, independent contractors, managing agents, service providers, management companies or other experts to perform services for North Sound and to compensate them from North Sound funds so long as consistent with the specific delegations of authority herein, consistent with the mission of the organization and within budget. Any professional services contracts in an amount exceeding, or expected to exceed, Ten Thousand and no/100 Dollars (\$10,000.00) shall be reported to the Executive Committee.

§5.3.14 The Administrator may enter into any and all other agreements for any purpose, in such form as the Executive Committee may approve.

§5.3.15 & §5.3.16 The Administrator may and shall undertake all actions and activities authorized by chapter 70.24 RCW and authorized by the laws of the State of Washington and do and perform all other acts as may be necessary or appropriate to the conduct of North Sound's business and services provided so long as consistent herewith, and consistent with the Operating Agreement.

### **III. POLICY GOVERNING INVESTMENT OF TEMPORARILY IDLE NORTH SOUND FUNDS**

Authority of the Administrator: For purposes of this paragraph, "Temporarily Idle North Sound Funds" shall mean those funds which are not required for immediate expenditure. In accordance with applicable law relating to the investment of public funds, the Administrator or his or her designee is authorized to direct the investment of Temporarily Idle North Sound funds. These directives shall permit, but shall not

belimited to, investments in authorized government securities, sale of such investments and necessary interfund transfers. A summary report of all investments, sales, and interfund transfers shall be provided to the Executive Committee at least quarterly.

#### **IV. LITIGATION**

A. Management and Supervision of Litigations: The Administrator and North Sound's legal counsel shall be responsible for the procedures necessary for management and supervision of all litigation in which the North Sound has an interest, direct or indirect. For purposes of this section, "litigation" shall mean the assertion or potential assertion of any position, right or responsibility by or against North Sound, including actions which have been filed in any court or any quasi-judicial or administrative forum.

B. Special Legal Services: The Administrator, after consultation with North Sound's legal counsel, is authorized to retain other such special counsel, at fees as may be negotiated, to assist in the handling of any claims, litigation, or other matters necessary to attend to the legal affairs of North Sound, within overall budgetary constraints.

C. Engagement of Experts: The Administrator may engage or cause to be engaged through legal counsel, such experts as may be necessary for the orderly support of claims or litigation in which North Sound has a direct or indirect interest. Such engagement shall be upon authorization given by legal counsel after having satisfied him or herself that such expenditure is necessary to the adequate preparation and representation of North Sound's position in such litigation or claim and shall, wherever practicable, include evaluation of the litigation or claim and an estimate of the probable cost of such experts.

D. Consultation with Executive Committee: The Administrator may settle instances of litigation in which the value is .05% or less of annual operating revenues of the last complete fiscal year. In instances when the value has, or is likely to exceed said amount, the Administrator will in conjunction with North Sound's legal counsel consult with the Executive Committee regarding strategy and the economic impact of litigation and only enter into settlement upon approval or ratification of the Executive Committee.

**ADOPTED** by the Executive Committee of NORTH SOUND BEHAVIORAL HEALTH ORGANIZATION, LLC this day of , 2016, and duly authenticated in open session by signatures of the Executive Committee members voting in favor thereof duly affixed.

**RESOLUTION NO. 16-03**

**A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE NORTH SOUND BEHAVIORAL HEALTH ORGANIZATION, LLC CREATING A SUB-COMMITTEE TO BE KNOWN AS THE GOVERNANCE-OPERATIONS COMMITTEE AND DELEGATING THERETO CERTAIN FUNCTIONS AND RESPONSIBILITIES.**

**WHEREAS**, the North Sound Behavioral Health Organization, LLC, a Washington limited liability company (“North Sound”) received a certificate of formation from the Washington Secretary of State, dated February 4, 2016; and

**WHEREAS**, the members of North Sound agreed to and adopted a Joint County Authority BHO Operating Agreement (“Operating Agreement”); and

**WHEREAS**, the Operating Agreement vests North Sound’s Executive Committee with the duty and power to operate and administer the affairs of North Sound; and

**WHEREAS**, the Executive Committee now wishes to create a sub-committee to be known as the “Governance-Operations Committee” to review certain matters and make recommendations to the Executive Committee as described herein; and

**WHEREAS**, the Executive Committee finds that the creation and utilization of the Governance-Operations Committee will allow for heightened levels of expertise to be developed and used to the advantage of the organization and that the committee will bring certain efficiencies to the operations and governance of the organization;

**NOW, THEREFORE, BE IT RESOLVED** by the North Sound Executive Committee as follows:

6. The Executive Committee hereby creates a sub-committee to be known as the “Governance-Operations Committee” and adopts the Charter for said sub-committee as set forth in ATTACHMENT A hereto.
7. This sub-committee is not authorized to act on behalf of the Executive Committee, to take testimony, take public comment or conduct hearings.

This Resolution shall take effect on June 1, 2016.**NORTH SOUND BHO, LLC**

**ADOPTED** by the Executive Committee of NORTH SOUND BEHAVIORAL HEALTH ORGANIZATION, LLC this 12th day of May, 2016.