Case No. 90545-2

SUPREME COURT
OF THE STATE OF WASHINGTON

PUBLIC HOSPITAL DISTRICT NO. 1 OF KING COUNTY,

Appellant,

vs.

UNIVERSITY OF WASHINGTON AND UW MEDICINE,

Respondents.

ANSWER TO PETITION FOR REVIEW

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I. INTRODUCTION

The alliance between the University of Washington and Public Hospital District No. 1 of King County is an example of government working the way it should. This is not a case that requires Supreme Court intervention.

The state legislature created hospital districts, and specifically gave them the power to combine with other public entities to offer services jointly. In June 2011, the District's elected commissioners exercised this power for the benefit of the District by agreeing to the Strategic Alliance Agreement with the University. In October 2012, after a new commissioner joined the board, three of the five commissioners voted to file this lawsuit in an attempt to undo the actions of their predecessors in office. The District now claims it did not have authority to enter the Agreement in the first place.

The Agreement is authorized by the Public Hospital District Act, and by the Interlocal Cooperation Act. The Public Hospital District Act grants hospital districts their powers, including the powers to build and operate hospitals, levy limited taxes, incur debt, hire employees, and enter into contracts with other public entities "for carrying out ***any of the powers*** authorized by this chapter." RCW 70.44.060(7) (emphasis added).

The Alliance was established on the basis of this statutory authority, and similar authority found in other statutes.

In its Petition for Review, the District does not quote this statutory language. Nor does it challenge the statute's validity or constitutionality. Instead, the District relies on overheated rhetoric. The District claims the Alliance is "anti-democratic," and presents "a template by which the elected officials of other governmental bodies may relinquish and cede their core statutory powers." Pet. for Review at 6, 16. The District warns that the Court of Appeals has articulated "no limiting principle on the power of elected officials to cede their core powers." *Id.* at 16.

None of this is true, as the Court of Appeals explained:

> The simple answer to this argument is that the elected representatives of the people—the legislature—expressly authorized the type of agreement in this case. This is consistent with both representative democracy and our constitution. The remedy for disagreement with these statutes is to seek redress from the legislature, not the courts.

Pub. Hosp. Dist. No. 1 of King Cnty. v. Univ. of Wash., --- Wn. App. ---, 327 P.3d 1281, 1288 (2014).

The District's decision to align with the University was an entirely democratic act taken by the District's elected officials pursuant to statutory authority. That decision was thus legal, as both the trial court

and Court of Appeals have held. The Supreme Court should deny the District's Petition for Review.

II. STATEMENT OF THE CASE

The only facts necessary for the Court's legal analysis are the terms of the Agreement and its lawful passage by the District's commissioners in May 2011. CP 37-124 (Agreement); 223-26 (resolution approving Agreement). Nevertheless, the background facts described in this section provide useful context.[1]

A. The Alliance Involves Two Public Institutions Focused on Providing Quality Health Care.

The University is a publicly funded institution accountable to the people of Washington. *E.g.*, RCW 28B.20.100. The University's health care activities are operated as UW Medicine, a comprehensive health care organization that includes four hospitals, primary care and specialty clinics, the UW School of Medicine, and a critical care air transport service. CP 32-33.

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[1] In its Petition, the District claims that the Court of Appeals decision "does not contain a factual recitation as such." Pet. for Review at 1. This is untrue. The decision describes all the facts necessary to resolve this appeal. *See Pub. Hosp. Dist. No. 1*, 327 P.3d at 1282-83. Nevertheless, the District claims it must present its version of the facts in order for the Court to "understand the parties' intent in contracting." Pet. for Review at 1 n.1 (citing *Hearst Commc'ns, Inc. v. Seattle Times Co.*, 154 Wn.2d 493, 503, 115 P.3d 262 (2005)). This appeal does not involve contract interpretation, but rather the interpretation of statutes that both the Court of Appeals and the trial court held authorize the Agreement. The facts presented by the District are wholly irrelevant to the interpretation of those statutes and the resolution of this appeal. The District's alleged facts are also unsupported and inaccurate, as described in the University's Brief of Respondents at 14-16.

The District is a public hospital district authorized by the legislature. The District serves south King County, and its facilities include Valley Medical Center, a 303-bed acute care hospital in Renton.

The District exercises only the limited statutory powers necessary to provide health care services, including constructing a hospital or other health care facilities; buying, leasing and selling property for those purposes; borrowing money; issuing revenue bonds; levying property taxes up to a statutory cap; and condemning property. RCW 70.44.060. The District currently levies taxes of less than $20 million, which is less than two percent of its gross revenue. CP 670 (annual tax revenue); Pet. for Review at 2 (gross patient revenue). The District's powers are limited to the provision of health care. For example, the legislature has not authorized hospital districts to pass laws, and hospital districts cannot impose taxes except in the limited amounts and manner prescribed by statute for the purpose of providing health care services. *See* RCW 70.44.060.

B. The University and the District Established the Alliance After a Thorough, Public Process Focused on Improving Health Care in the District.

The process leading to the Agreement was long, thorough, and public. It is described at length in the University's Brief of Respondents, at 6-9. The process is summarized here.

On January 18, 2011, the District commissioners decided unanimously at a public meeting to evaluate and negotiate a potential strategic alliance with UW Medicine. CP 143-50. The commissioners all agreed the purpose of the alliance would be to enhance services for District residents by integrating the District's health care system into the operations of UW Medicine and establishing a governance structure to oversee such operations. CP 148 (Resolution No. 960).

The parties then spent months negotiating, conducting due diligence activities, gathering input from key stakeholders, and holding public meetings throughout the District. The District was advised during the process by experienced legal counsel. CP 176-205. The District's commissioners considered the proposed agreement at multiple public meetings, and reviewed it section by section with legal counsel. CP 207-21. On May 23, 2011, the District voted 3-2 to approve the Strategic Alliance Agreement by passing Resolution 968. CP 223-26.

C. The Agreement Provides for Shared Management of the New Alliance.

The Strategic Alliance Agreement spells out the terms of a 15-year agreement[2] to operate an integrated health care system (the "District Healthcare System") that incorporates the operation of the District's health

[2] The Agreement can be extended only with the mutual agreement of the University and the District. CP 79 (Agreement § 10.1).

care activities into the University's UW Medicine. CP 79-80 (Agreement § 10.1). The University and the District each agreed to certain limitations, and accepted certain responsibilities, under the Agreement.

The University and the District decided the new integrated system would be managed by a thirteen-member Board of Trustees (the "Board") that would include all five District commissioners and five community trustees, all of whom must live within the District Service Area. CP 46-47 (Agreement § 3.2). The other three Board members are two current or previous members of boards of other UW Medicine component entities or the UW Medicine Board, and the UW Medicine CEO or his designee.[3] *Id.* The Agreement required that the five initial community trustees be selected after seeking nominations from the mayors of the cities within the District. CP 48 (Agreement § 3.4). Community trustees include a member of the Metropolitan King County Council, a member of the Newcastle City Council, and a former Renton School District superintendent. CP 126-30.

Although the University and the District decided to entrust this new Board (which includes seats for all District commissioners) with

[3] All Trustees, whether commissioners or appointed community members, are bound by fiduciary duties to the District Healthcare System, and must act in its best interests. CP 48-49 (Agreement § 3.5). Trustees are also bound to follow the Ethics in Public Service Act and all other duties and obligations owed by public officers in Washington. *Id.*

responsibility for daily operations, the Board's authority is limited. For example, without District consent, the Board cannot transfer or encumber any material asset of the District, relocate the hospital, reduce the licensed bed capacity of the hospital, or eliminate core services as identified in the Agreement. CP 72-74 (Agreement § 7.1).

In addition to serving as trustees on the new Board, the District's commissioners retain important responsibilities. The Agreement contains a lengthy table listing 60 powers and obligations of the District, and identifying whether those responsibilities will be retained by the commissioners alone, delegated to the new Board of Trustees, or shared jointly. CP 98-104 (Agreement Ex. 3.10(c)). Of the 60 items, 33 are retained by the commissioners alone, and nine are shared. *Id.* The power to levy property taxes, for example, is reserved exclusively for the commissioners.[4] CP 77-78 (Agreement § 9.1). The District also retains the right to annex territory into the District, control its own governance, hire a superintendent to manage its affairs, and sponsor educational programs to encourage health and wellness. CP 72-74, 98-104 (Agreement § 7.1 & Ex. 3.10(c)). The Agreement also does not transfer any District assets to the University. CP 63 (Agreement § 5.1).

[4] The District agrees, however, not to exercise that power in a way that would hurt the new District Healthcare System. CP 77-78 (Agreement § 9.1).

In exchange for the University's agreement to integrate the District's health care activities into UW Medicine, the District agreed to certain reasonable limitations on its future activities. For example, the District agreed it would not establish a new health care facility in the District Service Area, transfer material assets of the District Healthcare System, or de-annex property from the District if it would impair the District's ability to service its outstanding bonds. CP 74 (Agreement § 7.2). The District also agreed it would exercise its bonding powers to support certain activities specified in the Agreement. CP 62-63 (Agreement § 4.18(c)).

UW Medicine also agreed to limits on its future activities. For example, UW Medicine may not pursue new ventures within the District Service Area without the approval of the District. CP 71 (Agreement § 6.6).

D. Procedural Posture.

The District sued to back out of the Agreement on October 24, 2012. CP 1-5. The District argued it lacked authority to sign the Agreement because, the District claimed, it could not lawfully share management of the District Healthcare System in the manner set out in the Agreement. *Id.* Shortly after the lawsuit was filed, the parties filed cross motions for summary judgment. CP 14-31, 227-52. Neither party alleged

a factual dispute. *Pub. Hosp. Dist. No. 1*, 327 P.3d at 1283. The trial court granted summary judgment for the University because the court correctly determined that "the State Legislature has authorized this type of transaction." RP 52.

The District appealed. CP 660-65. On June 23, 2014, the Court of Appeals unanimously affirmed the trial court, holding that "the agreement was authorized by the statutes governing public hospital districts and the Interlocal [Cooperation] Act." *Pub. Hosp. Dist. No. 1*, 327 P.3d at 1284.

III. ARGUMENT WHY REVIEW SHOULD BE DENIED

The Petition for Review should be denied because the Court of Appeals correctly applied unambiguous statutes in a manner consistent with this Court's precedents. This case does not present an unsettled legal issue of public importance that requires the Court's attention.

A. The Alliance is Authorized by Statute and Is Consistent with This Court's Decisions.

1. The Alliance is authorized by statute.

The District claims "the laws authorizing hospital districts to enter into contracts permit them to do so for discreet [sic] projects or services, *not all* the core functions of their elected decisionmakers such as the power to budget, tax, incur debt, or select top executive officials." Pet. for Review at 7 (emphasis in original). The controlling statute, which the District *does not even quote* in its Petition, imposes no such limitations.

The powers of public hospital districts are described in RCW 70.44.060. They include authority to construct and operate a hospital, issue bonds, otherwise incur debt to pay for health care services, and hire physicians and all other employees. RCW 70.44.060. Hospital districts can also levy taxes up to a cap imposed by the legislature. *Id.*

The *same* statute granting the District its powers also provides authority for the Agreement. *Id.* After listing the specific powers given to hospital districts, the statute explicitly authorizes any public hospital district to "enter into any contract with the United States government or any state, municipality, or other hospital district, or any department of those governing bodies, for carrying out ***any of the powers*** authorized by this chapter." RCW 70.44.060(7) (emphasis added). As the Court of Appeals correctly held, "The plain language of this provision authorizes the district to contract with the university, a state entity, to carry out any of the district's powers." *Pub. Hosp. Dist. No. 1*, 327 P.3d at 1284.

Another section of the Hospital District statute grants similar authority. Under RCW 70.44.240, a hospital district can contract with a variety of entities (or individuals) to "acquire, own, operate, manage, or provide any hospital or other health care facilities or hospital services or other health care services." The District contends this language is limited to "specific projects or services," Pet. for Review at 9 (emphasis omitted),

but the statute contains no such limitations. It unqualifiedly authorizes contracts to "own, operate, manage, or provide" any "health care facilities" or "services" offered by a District. The Agreement (which does not even go so far as to transfer ownership of the District's assets) fits well within those broad terms.[5] The Court of Appeals rightly concluded that this provision, read together with RCW 70.44.060(7), broadly authorizes the type of "joint or cooperative action" undertaken here.[6] *Pub. Hosp. Dist. No. 1*, 237 P.3d at 1284.

The Interlocal Cooperation Act, also not addressed by the District in its Petition for Review, similarly authorizes the Alliance. The Act exists to "permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage." RCW 39.34.010. The Act thus authorizes

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[5] Indeed, if the District's commissioners are authorized to *sell* the District's health care facilities and services, RCW 70.44.060(2), 70.44.240, they plainly are authorized to contract with the University to share management responsibilities for those same facilities and services.

[6] In its Petition for Review, the District does not even quote the language from RCW 70.44.060(7). *See* Pet. for Review at 1-18. The District seemingly attempts to justify that omission by suggesting the Court need only consider RCW 70.44.240 because it is a newer provision that the District argues is more specific. Pet. for Review at 9. The District cites *Anderson v. Dep't of Corr.*, 159 Wn.2d 849, 861, 154 P.3d 220 (2007), for the proposition that the Court must disregard an older statutory provision in favor of any newer, more specific statute. *Anderson* says no such thing. To the contrary, *Anderson* requires courts to reconcile statutes unless they "irreconcilably conflict." 159 Wn.2d at 861. Here, RCW 70.44.060 and .240 both demonstrate the legislature's intent to allow joint or cooperative action. They certainly do not conflict, and the District does not claim a conflict exists. Had the legislature intended to narrow RCW 70.44.060(7) at the time it passed .240, it could have done so. It did not.

public agencies to jointly exercise "[a]ny power or powers, privileges or authority exercised or capable of exercise by a public agency of this state." RCW 39.34.030(1). The Act permits public entities to enter into contracts to facilitate such "joint or cooperative action." RCW 39.34.030(2). The Court of Appeals held the Agreement in this case is just such a contract. *Pub. Hosp. Dist. No. 1*, 327 P.3d at 1284-85.

Even though the Alliance is explicitly authorized by at least three statutory provisions, the District complains that the Court of Appeals ignored RCW 70.44.040, which provides for the election of hospital district commissioners. Pet. for Review at 8. The District suggests that, since the legislature provided for the election of commissioners, the Court must infer that only the commissioners may have a hand in managing the District. *Id.* at 8-9. The Hospital District statutes provide otherwise.

The provisions relied on by the District, in RCW 70.44.040, supply only *procedural standards* for the election of commissioners; they do not say anything about the commissioners' powers or responsibilities. The commissioners' powers and responsibilities are described elsewhere, including in RCW 70.44.060, which authorizes hospital districts to contract with other governmental entities "for carrying out any of the [hospital district's] powers." RCW 70.44.060(7). That authority is entirely consistent with RCW 70.44.040. It empowers (not undermines)

the elected commissioners by allowing them to enter into creative, collaborative agreements for the District's benefit.

The legislature is unquestionably empowered to confer this authority on hospital districts. Municipal corporations, such as public hospital districts, are "creatures of the state" and "derive their authority and powers from the state's legislative body." *Skagit Cnty. Pub. Hosp. Dist. No. 1 v. Dep't of Revenue*, 158 Wn. App. 426, 445, 242 P.3d 909 (2010). The legislature's "absolute control" over the powers of municipal corporations is "limited only by the constitution." *King Cnty. Water Dist. No. 54 v. King Cnty. Boundary Review Bd.*, 87 Wn.2d 536, 540, 554 P.2d 1060 (1976). The District raises no constitutional challenge here. And because the legislature—the source of a hospital district's powers—authorized public hospital districts to "enter into any contract with . . . any state. . . or any department . . . for the carrying out of any of the [hospital district's] powers," it authorized the District's elected commissioners to enter the Alliance with the University.

2. The relevant statutes explicitly authorize minority representation by public hospital district commissioners on any new joint governing board.

The District also complains that its commissioners do not constitute a majority of the new joint Board of Trustees. *See* Pet. for

Review at 4 ("From a practical standpoint, the elected Commissioners can always be outvoted by the eight UW Medicine trustees."). The legislature has determined majority representation is not necessary.

In authorizing collaborative action by public hospital districts, the Hospital District authorizing statute states that "[t]he governing body of [any new] legal entity . . . *shall* include representatives of the public hospital district, which representatives *may* include members of the public hospital district's board of commissioners."[7] RCW 70.44.240 (emphasis added). In other words, hospital district commissioners need not be on new joint boards at all, and certainly may represent only a minority of seats on such boards.

The Interlocal Cooperation Act similarly requires only that public agencies in joint agreements "be represented" on any joint board. RCW 39.34.030(4)(a); *accord* RCW 39.34.030(3)(b) (requiring "membership" of a public agency in any new organization created by it pursuant to the Interlocal Cooperation Act). It does not require majority representation by any party, and therefore authorizes *minority* representation by public hospital district commissioners. RCW 39.34.030(4)(a) . These provisions make practical sense. Two

[7] Before 2004, the Public Hospital District's statute did require representation—but not majority representation—by public hospital district commissioners on any joint governing boards. In Senate Bill 6485, which passed the state House and Senate unanimously in 2004, the legislature specifically removed that requirement.

collaborating public entities cannot both have majority membership. If majority membership were required, public entities could never join together pursuant to the statutes explicitly authorizing such collaborations.

3. The Alliance is consistent with this Court's decisions.

The District contends this Court's decisions prohibit alliances like this one. Pet. for Review at 11. On the contrary, this Court has endorsed just such undertakings when authorized by statute.

Under this Court's decisions, "[w]here a statute, which is the source of a municipal or quasi-municipal corporation's power, confers specific functions to particular officers or boards, such functions may not be delegated to others . . . *unless the statute expressly authorizes such delegation to some other officer or body*." *Noe v. Edmonds Sch. Dist. No. 15 of Snohomish Cnty.*, 83 Wn.2d 97, 103, 515 P.2d 977 (1973) (emphasis added). This is the same rule articulated in treatises, *e.g.*, 10A Eugene McQuillin, Municipal Corporations § 29.102 at 70-71 n.4 (quoted in *Pub. Hosp. Dist. No. 1*, 327 P.3d at 1283), and in the Attorney General Opinion on which the District places much reliance, AGO 2012 No. 4 at 3 ("the resolution of specific cases often turns on *specific statutory grants of authority*, rather than on the application of . . . general principle[s]") (emphasis added).

Because the legislature controls a municipal corporation's powers, the Court looks to the relevant authorizing statutes when assessing the powers of a municipal corporation.[8] In *Roehl*, for example, the Court endorsed the creation of a joint operating board, with minority commissioner representation, to manage a project undertaken cooperatively by municipal corporations. The Court found the joint operating board was "clearly within the contemplation of the enabling legislation," *Roehl*, 43 Wn.2d at 241. The Court later reaffirmed the validity of such joint boards. *Pub. Util. Dist. No. 1 of Snohomish Cnty.*, 78 Wn.2d at 730-31 (upholding validity of joint agreement delegating management authority and noting the delegated authority was properly approved in *Roehl*).[9]

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[8] *E.g.*, *Chem. Bank v. Wash. Pub. Power Supply Sys.*, 99 Wn.2d 772, 666 P.2d 329 (1983) (agreement invalid for failure to comply with statutory requirements); *Pub. Util. Dist. No. 1 of Snohomish Cnty. v. Taxpayers & Ratepayers of Snohomish Cnty.*, 78 Wn.2d 724, 731, 479 P.2d 61 (1971) (the actions challenged in the case were permissible because "contemplated by the legislature"); *Roehl v. Pub. Util. Dist. No. 1 of Chelan Cnty.*, 43 Wn.2d 214, 240-41, 261 P.2d 92 (1953) (looking to enabling statute in determining powers of utility districts); *State ex rel. Schlarb v. Smith*, 19 Wn.2d 109, 141 P.2d 651 (1943) (looking to statute for authority to enter binding contract).

[9] The Court of Appeals approved a similar joint board in a case involving joint action by two public hospital districts. In *Concerned Citizens of Hosp. Dist. No. 304 v. Bd. of Comm'rs of Pub. Hosp. Dist. No. 304*, 78 Wn. App. 333, 337, 897 P.2d 1267, *review denied*, 127 Wn.2d 1024 (1995), two hospital districts created a joint governing entity to manage their two hospitals. Each hospital district had minority representation on the joint governing board, which included each district's five commissioners and an eleventh member. *Id.* at 337. When that joint board chose to close down one hospital's emergency room, the Court of Appeals upheld that decision. *Id.*

Similarly, in *Schlarb*, the Court endorsed a contract between Pierce County and King County that required both counties to levy taxes to protect the White River. 19 Wn.2d at 111. Years after the contract was signed, King County refused to levy the tax, and argued its previous commissioners could not bind the hands of its current commissioners. *Id.* at 112. The Court disagreed, and enforced King County's contractual obligation because it was "entered into under specific statutory authority." *Id.* at 112-13.

The District cites the *WPPSS* case to argue the Court prohibits joint undertakings when the member entities have only minimal participation in management decisions. Pet. for Review at 12 (discussing *Chem. Bank*, 99 Wn.2d 772). As the Court of Appeals noted, this case is nothing like *WPPSS*. *Pub. Hosp. Dist. No. 1*, 327 P.3d at 1287-88. In *WPPSS*, the lack of member ownership of the joint undertaking, coupled with a passive opt-in management system, failed to "satisfy the type of ownership control envisioned in" the relevant utility district statutes.[10] *Chem. Bank*, 99 Wn.2d at 787.

[10] In reaching that conclusion, the Court specifically contrasted the WPPSS management system with the joint governing body approved by the Court in *Roehl*. *Chem. Bank*, 99 Wn.2d at 787-88, 790-91. The Court explained that, in *Roehl*, an "executive board, consisting of one member from each utility, was responsible for overall project management and policy decisions" for the new joint undertaking established by the member utilities. *Id.* at 791 (citing *Roehl*, 43 Wn.2d at 240-41). The Court held that the "same degree of participant control" was not present in WPPSS because "most of the

Here, unlike in *WPPSS*, the District retains ownership of its assets and each of its commissioners has a seat on the new Board of Trustees. The District thus participates fully in Board decisions, in addition to retaining ultimate control over its key powers.[11] Under Washington law, including this Court's decisions, the Board is properly constituted, even though the District's commissioners do not hold a majority of the seats. *E.g.*, *id.* (citing with approval the *Roehl* five-member executive committee, on which each public utility district had only one seat); *accord, e.g.*, *Concerned Citizens*, 78 Wn. App. at 337, 348 (approving actions of joint public hospital board where each hospital district had only minority representation).

B. This Case Does Not Involve an Issue of Public Importance Requiring Supreme Court Intervention.

1. This case involves the straightforward interpretation of unambiguous statutory language.

The Court of Appeals, like the trial court before it, held that the Alliance "was authorized by the statutes governing public hospital districts

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policy decisions and management control are delegated to WPPSS, the operating agency, rather than any executive committee." *Id.*

[11] Even though the District is explicitly authorized to share any of its powers with another public entity, the Court of Appeals noted that the District has retained in the Agreement many powers it now claims have been delegated. *Pub. Hosp. Dist. No. 1*, 327 P.3d at 1285-86. Indeed, the District has retained, for example, the power to levy property taxes, incur debt, and issue bonds. *Id.* (citing text of Agreement). The District's claim that it gave up those powers is also disingenuous because, as members of the Board, the District's commissioners continue to be involved in all decisions.

and the Interlocal [Cooperation] Act." *Pub. Hosp. Dist. No. 1*, 327 P.3d at 1284. The statutes are unambiguous. This case does not present challenging or novel issues of statutory interpretation that require the Supreme Court's involvement. The Court should deny the District's Petition for Review. RAP 13.4(b)(4).

2. The effect of the Court of Appeals decision does not extend beyond the parties to the Agreement.

The Alliance at issue is unique, and was carefully constructed after months of planning to suit the particular needs of the District and the University. It is also authorized by the statute governing public hospital districts, and therefore does not affect "all municipalities in Washington," as the District argues. Pet. for Rev. at 16.

The District warns that "[n]othing in the Court of Appeals analysis would prevent a school district from ceding all of its responsibilities to the WSU School of Education," Pet. for Rev. at 17, but the Court of Appeals was not presented with that issue. School districts have their *own* authorizing legislation, and their powers, like a hospital district's, are controlled by the legislature. RCW 28A.315.005(2) ("Local school districts are political subdivisions of the state and the organization of such districts, including the powers, duties, and boundaries thereof, may be altered or abolished by laws of the state of Washington."). The same is

true of city councils, *e.g.*, RCW 35.18.160, and public utility districts, *e.g.*, RCW 54.12.010, 54.16.005 *et seq.* Because the powers of each of the state's municipal corporations are determined by their authorizing statutes, the outcome of this case has no effect on the powers that can be exercised by other municipal corporations. Review is inappropriate under RAP 13.4(b)(4).

IV. CONCLUSION

This case involves the proper exercise of a hospital district's powers. The legislature has decided a hospital district has the power to join with another public entity to exercise "any of [its] powers." The District does not claim the statutes are unconstitutional, but nevertheless asks the Court to undo the District's lawful exercise of its legislatively granted powers. The District's claims have no legal basis. The Court should deny the District's Petition for Review.

RESPECTFULLY SUBMITTED this 20th day of August, 2014.

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CERTIFICATE OF SERVICE

On the date indicated below, I hereby certify that I caused to be served upon all counsel of record, via email and U.S. Mail, a true and correct copy of the foregoing document.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED this 20th day of August, 2014, at Seattle, Washington.

Suzanne Powers

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Subject: 90545-2 - Public Hospital District No. 1 v. University of Washington and U.W. Medicine

RE: Public Hospital District No. 1 v. University of Washington, Supreme Court Case No. 90545-2

Attached is a copy of the Answer to Petition for Review, with Certificate of Service.

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This brief is being served on all counsel of record by email and U.S. mail.

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