



**Two Rivers**  
HEALTH DISTRICT

---

KENNEWICK PUBLIC HOSPITAL DISTRICT

## Board of Commissioners Packet

Thursday, August 29, 2024  
Hybrid Meeting

via Zoom and  
Trios Care Center  
521 S. Young Street Kennewick, WA 99336

5:00 p.m.

**Kennewick Public Hospital District**  
**Thursday, August 29, 2024 | Hybrid Meeting**  
**Trios Care Center 521 N. Young St. Kennewick, WA 99336**  
**5:00 PM**  
**AGENDA**

**I. District Business:**

**A. Approval of Consent Agenda***\*All Materials under the Consent Agenda are considered routine by the Board of Commissioners and will be adopted by one motion in the form listed below. There will be no separate discussion of these items. An item may be removed from the Consent Agenda and considered separately if the board members or the public desire further discussion.*

1. Approval of Meeting Minutes of Regular meeting held July 25, 2024

**B. Public Comment –**

**II. NEW BUSINESS:**

**A. Reports**

1. Lee Kerr – Superintendent, General Update
2. Legal Report - Heidi Ellerd, Legal Counsel
  - a. Records Requests (updates)
3. Administrative Report, Salem Thompson, Board Coordinator

**B. Committee Reports/Recommendations.**

1. Finance Committee – Gary Long
  - a. Acceptance of the July 2024 financial statements\* – Overview by Erica Davis
  - b. Approval of the July 2024 payments and disbursements\*
  - c. Treasurer’s Report – Gary Long
  - d. 2023 Audit Status
2. Governance Committee Updates – Mark Brault
  - a. Resolution 2024-7 changing Sept meeting time and location\*
  - b. L&I bond requirement (update)
  - c. L&I claims status
3. Planning Committee – Wanda Briggs
  - a. Community image efforts overview – September retreat to follow regular board meeting.
4. Adult Day Services – General Update: Rick Reil/Spencer Harris

**III. COMMISSIONER COMMENTS**

**IV. Upcoming items – NONE**

**V. BOARD MEETINGS/EVENTS/EDUCATION -**

Next Regularly Scheduled Board Meeting – Thursday, September 26, 2024 @ 12:00pm @ Hampton Inn, Richland, WA details in Resolution 2024-7

**Kennewick Public Hospital District**  
**Thursday, July 25, 2024 | Hybrid Meeting**  
**Trios Care Center 521 N. Young St. Kennewick, WA 99336**  
**5:00 PM**  
**MINUTES**

Attendance: Mark Brault, Gary Long, Marv Kinney, Spencer Harris, Sheila Dunlop, Rick Reil, Lee Kerr, Erica Davis, Heidi Ellerd, Salem Thompson.

Absent: Wanda Briggs

**I. District Business:**

**A. Approval of Consent Agenda.**

1. It was moved and seconded to approve the consent agenda as presented. All in favor. No discussion. Motion carried.  
It was moved and seconded to approve the June 27, 2024 minutes as presented. All in favor. No discussion. Motion carried.

**B. Public Comment – NONE**

**II. NEW BUSINESS:**

**A. Reports**

1. Lee Kerr – Superintendent, General Update  
Lee reported on the RPA compliance efforts. The alliance is live as of July 1, 2024. The District is listed in the alliance as the Two Rivers Health District, our DBA name. We are a participant, but Trios is the provider of services. A toll-free number and website link will be available soon for adding to our website.  
Lee reported on the insurance coverage and the treasurer's bond.  
Lee reported on the recent activity with the creditor's trust.
2. Legal Report - Heidi Ellerd, Legal Counsel
  - a. Records Requests (updates) – nothing to report.
3. Administrative Report, Salem Thompson, Board Coordinator – nothing new to report.

**B. Committee Reports/Recommendations.**

1. Finance Committee – Gary Long
  - a. Acceptance of the June 2024 financial statements – Overview by Erica Davis  
IT WAS MOVED AND SECONDED TO APPROVE THE JUNE 2024 FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
  - b. Approval of the June 2024 payments and disbursements – overview by Erica Davis.  
IT WAS MOVED AND SECONDED TO APPROVE THE JUNE 2024 PAYMENTS AND DISBURSEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
  - c. Treasurer's Report – Gary Long discussed the following items.
    - The LGIP transfer process.
    - 2023 Audit Status

2. Governance Committee Updates – Mark Brault
  - a. Motion authorizing Superintendent to sign Change Health settlement agreement  
IT WAS MOVED AND SECONDED TO AUTHORIZE LEE KERR TO SIGN THE SETTLEMENT AND RELEASE AGREEMENT REGARDING CHANGE HEALTH AND THE CREDITOR’S TRUST. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
  - b. Resolution 2024-6 Updating Treasurer’s Bond Amount  
IT WAS MOVED AND SECONDED TO APPROVE RESOLUTION 2024-6 UPDATING THE TREASURER’S BOND AMOUNT WITH THE CORRECTION OF REMOVING THE WORD “TREASURER” FROM GARY LONG’S SIGNATURE LINE. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
  - c. Change in commissioner stipend approval process – We are including an extra layer of approval with the following process: Commissioner stipend requests will be sent to Epic Trust/ Guardian Financial AND to Mark Brault. Mark will send his request to Gary Long and Epic/Guardian.
3. Planning Committee – Wanda Briggs was absent. Marv Kinney provided a report.
  - a. Columbia Basin College (CBC) scholarship applicants. Applications were received and circulated via email.  
IT WAS MOVED AND SECONDED TO APPROVE THE SCHOLARSHIP APPLICANTS PROVIDED BY CBC AND APPROVE THE FUNDING OF THE SCHOLARSHIP AWARD. ALL IN FAVOR. DISCUSSION INCLUDED OBTAINING THE NAMES OF THE RECIPIENTS AND OR THEIR IDENTIFYING APPLICATION NUMBER FOR THE MINUTES. MOTION CARRIED.
  - b. Community image efforts overview – Discussion on future retreat to coincide with the September meeting. It was discussed to have the regular meeting time changed to noon and to immediately go into the retreat after the meeting. Salem will secure a location.
4. Adult Day Services – General Update: Rick Reil/Spencer Harris – Rick reported on activities at ADS. He stated there are updates to the facility being planned.

**III. COMMISSIONER COMMENTS**

**IV. Upcoming items – NONE**

**V. BOARD MEETINGS/EVENTS/EDUCATION -**

Next Regularly Scheduled Board Meeting – Thursday, August 29, 2024 @ 5:00pm

Meeting adjourned at 6:23 pm.

# Management Reports

Kennewick Public Hospital District  
For the period ended July 31, 2024

Prepared by  
**Guardian Financial Group**

Prepared on  
**August 5, 2024**

Table of Contents

---

Statement of Activity With Year to Date .....4

Statement of Financial Position .....6

Statement of Cash Flows - Last Month .....8

Check Detail.....9

---

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them. Additionally, management has chosen to omit formal notes to these interim monthly financial statements. However, district leadership have provided explanations on select accounts below.

### **Financial Statement Explanation of Terms**

The District's Financial documents use bookkeeping and accounting terms and phrases that have the following meanings:

Account 200 Community Care Agreement under the "Cost of Goods Sold" Section—This section represents the accounting software category designated for payments required by the Community Care Agreement to RCCH Trios to provide healthcare services which include charity care, reimbursements and on-going hospital operations.

Account 1020 Health Initiative Fund—Funds held to pursue the acquisition of a Recovery Center facility as well as to pursue other unmet healthcare needs in the District. These funds originated from the sale of Lifepoint's interest in the Tri-City Cancer Center. Lifepoint donated the proceeds of the sale to the District. Lifepoint Health, Inc. owns and operates Trios Hospital.

Account 1040 Worker's Compensation Account—This is a pass-through account with funds received from Trios RCCH to benefit pre-petition employees who are receiving workman's compensation benefits. It is beyond the requirements of the Community Care Agreement and provided by Trios RCCH to benefit prior and continuing employees.

Account 1055 Local Government Investment Pool Account -The Local Government Investment Pool (LGIP) is a voluntary investment vehicle operated by the State Treasurer. Over 530 local governments have participated in the pool since it was started in 1986 to provide safe, liquid, and competitive investment options for local government pursuant to RCW 43.250. The LGIP lets local governments use the State Treasurer's resources to safely invest their funds while enjoying the economies of scale available from a \$15-26 billion pooled fund investment portfolio. LGIP's investment objectives are, in priority order: 1) safety of principal, 2) maintaining adequate liquidity to meet cash flows, and 3) providing a competitive interest rate relative to other comparable investment alternatives. LGIP offers 100% li <https://www.tre.wa.gov/wp-content/uploads/LGIP-Investment-Policy-December-2018-1.pdf>quidity to its participants and as such is classified as a 'Cash Equivalent' on the District's balance sheet. LGIP investment guidelines are spelled out in the LGIP Investment Policy found at <https://www.tre.wa.gov/wp-content/uploads/LGIP-Investment-Policy-December-2018-1.pdf>.

Account 2001 Richmond Trust Account—This is a Legacy Trust with an income interest donated to the District by Mrs. Richmond. Baker Boyer Bank acts as the trustee.

Account 2100 Adult Day Services Loan Account—The District borrowed funds from ADS in mid-2019 to satisfy a long-term debt owed to the Kennewick Liquidation Trust. Principal and interest payments are made quarterly on a 10 year amortization schedule. The amortization schedule was shortened in October 2022 following a large, additional principal payment of \$120,000. The loan is now expected to be paid off in October, 2025.

# Statement of Activity With Year to Date

July 2024

		Total
	Jul 2024	Jan - Jul, 2024 (YTD)
<b>REVENUE</b>		
100 Property Tax Revenue	74.93	946,358.12
110 Grant Income		10,000.00
<b>Total Revenue</b>	<b>74.93</b>	<b>956,358.12</b>
<b>COST OF GOODS SOLD</b>		
200 Community Care Agreement	74.93	757,101.48
<b>Total Cost of Goods Sold</b>	<b>74.93</b>	<b>757,101.48</b>
<b>GROSS PROFIT</b>	<b>0.00</b>	<b>199,256.64</b>
<b>EXPENDITURES</b>		
303 Scholarship Contributions		4,190.40
305 Bank Fees	345.07	2,508.44
315 Commissioner Mtg Stipend	4,025.00	19,725.00
320 Facilities Expense		
323 Utilities		301.08
<b>Total 320 Facilities Expense</b>		<b>301.08</b>
326 Insurance	12,560.34	13,273.84
330 Legal and Professional		
331 Attorney Fees	541.50	6,894.04
332 Accounting	1,730.00	12,110.00
333 Audit Expense		12,301.36
335 Administrative Support	2,500.00	17,500.00
336 Other Professional Fees	953.30	6,637.26
<b>Total 330 Legal and Professional</b>	<b>5,724.80</b>	<b>55,442.66</b>
339 Licenses and Taxes	25.00	25.00
340 Office Expenses	429.64	3,069.23
342 Public Records Request	1,150.00	7,870.00
343 Records Management	400.00	11,758.40
360 Superintendent Compensation	3,300.00	23,100.00
VOID	0.00	0.00
<b>Total Expenditures</b>	<b>27,959.85</b>	<b>141,264.05</b>
<b>NET OPERATING REVENUE</b>	<b>-27,959.85</b>	<b>57,992.59</b>
<b>OTHER REVENUE</b>		
900 Richmond Trust Income	3,371.29	10,840.75
950 Worker's Comp Reimbursements	15,592.94	175,706.78
960 Interest and Dividend Income	5,635.73	35,589.27
<b>Total Other Revenue</b>	<b>24,599.96</b>	<b>222,136.80</b>
<b>OTHER EXPENDITURES</b>		
800 Workers Comp Claims Paid	13,290.57	171,620.15



	Total	
	Jul 2024	Jan - Jul, 2024 (YTD)
810 Interest Expense	834.86	3,097.25
<b>Total Other Expenditures</b>	<b>14,125.43</b>	<b>174,717.40</b>
NET OTHER REVENUE	10,474.53	47,419.40
NET REVENUE	\$ -17,485.32	\$105,411.99

# Statement of Financial Position

As of July 31, 2024

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 US Bank Checking 4037	108,132.64
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1040 Key Bank Worker's Comp	10,013.24
1050 Cash Equivalents	
1055 Local Government Investment Pool	954,443.65
<b>Total 1050 Cash Equivalents</b>	<b>954,443.65</b>
<b>Total Bank Accounts</b>	<b>1,074,689.53</b>
<b>Other Current Assets</b>	
1105 Tax Receivable	705.00
<b>Total Other Current Assets</b>	<b>705.00</b>
<b>Total Current Assets</b>	<b>1,075,394.53</b>
<b>Other Assets</b>	
2001 Richmond Trust (Restricted)	582,272.29
<b>Total Other Assets</b>	<b>582,272.29</b>
<b>TOTAL ASSETS</b>	<b>\$1,657,666.82</b>

## LIABILITIES AND EQUITY

<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2020 Accounts Payable	74.93
2021 AP - ADS	3,240.00
<b>Total Accounts Payable</b>	<b>3,314.93</b>
<b>Credit Cards</b>	
2024 U.S. Bank CC (4195)	429.64
<b>Total Credit Cards</b>	<b>429.64</b>
<b>Total Current Liabilities</b>	<b>3,744.57</b>
<b>Long-Term Liabilities</b>	
2100 Loan from ADS	42,425.21
<b>Total Long-Term Liabilities</b>	<b>42,425.21</b>
<b>Total Liabilities</b>	<b>46,169.78</b>
<b>Equity</b>	
3200 Net Position	595,360.30
3210 Restricted - Expendable	341,000.00
3220 Restricted - Expendable Richmond Trust	569,724.75
Net Revenue	105,411.99

	Total
Total Equity	1,611,497.04
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$1,657,666.82</b>

# Statement of Cash Flows - Last Month

July 2024

Total	
OPERATING ACTIVITIES	
Net Revenue	-17,485.32
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	-640,955.16
2024 U.S. Bank CC (4195)	-83.29
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	-641,038.45
Net cash provided by operating activities	-658,523.77
FINANCING ACTIVITIES	
2100 Loan from ADS	-10,137.75
Net cash provided by financing activities	-10,137.75
NET CASH INCREASE FOR PERIOD	
Cash at beginning of period	-668,661.52
	1,743,351.05
CASH AT END OF PERIOD	\$1,074,689.53

Date	Transaction Type	Num	Name	Memo/Description	Cir	Amount
07/11/2024	Check	1729	VOID		R	0.00
						0.00
07/12/2024	Expenditure		Spencer Harris	Commissioner Meeting Stipend	R	-805.00
				Commissioner Meeting Stipend		805.00
07/15/2024	Expenditure		US Bank	Bank Fees	R	-67.06
				Bank Fees		67.06
07/16/2024	Expenditure		Epic Tax Solutions	ACH Debit(s)	R	-1,730.00
				Accounting		1,730.00
07/18/2024	Bill Payment (Check)	1731	Trios Health - V	April/ May/ June Community Care Agreement	R	-640,876.34
						-640,876.34
07/18/2024	Bill Payment (Check)	1732	Ellerd, Hultgrenn & Dahlhauser, LLP	Legal Fees / Public Records Requests	R	-1,691.50
						-1,691.50

# Check Detail

July 2024

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
1010 US Bank Checking 4037						
07/01/2024	Bill Payment (Check)	1726	ColumbiaSoft Corporation	Records Management	R	-153.75
						-153.75
07/01/2024	Bill Payment (Check)	1727	Adult Day Services	Quarterly Loan Payment	R	-10,972.61
						-10,972.61
07/09/2024	Expenditure	EFT Payments (See Detailed List)			R	-9,420.00
				ACH Debit(s)		-9,420.00
				Briggs, Braut, Kinney, Long		3,220.00
				S. Snowdy		2,500.00
				D. Clark		400.00
				L. Kerr		3,300.00
07/11/2024	Check	1730	U.S.Bank CC (4195)		R	-512.93
				Acct. **** * 4195		-512.93
07/11/2024	Check	1728	VOID		R	0.00
						0.00

Date	Transaction Type	Num	Name	Memo/Description	Cir	Amount
07/18/2024	Bill Payment (Check)	1733	Advantage IT	IT Support	R	-953.30
						-953.30
07/18/2024	Bill Payment (Check)	1734	Department of Labor and Industries	OA Premium - Annual	R	-25.00
						-25.00
07/25/2024	Expenditure		PayneWest Insurance, Inc	ACH Debit(s)	R	-12,560.34
				ACH Debit(s)		12,560.34
<b>1040 Key Bank Worker's Comp</b>						
07/31/2024	Expenditure		Workers Comp		R	-13,290.57
				Workers Comp Claims Paid		13,290.57
07/31/2024	Expenditure		KeyBank		R	-272.50
				Bank Fees		272.50

# Kennewick Public Hospital District

## Transaction Report - US Bank Credit Card

July 2024

DATE	NAME	MEMO/DESCRIPTION	AMOUNT
U.S. Bank CC (4195)			
Beginning Balance			
07/01/2024	Bettendorfs Printing		27.83
07/02/2024	Adobe		21.73
07/11/2024	U.S.Bank CC (4195)	Acct. **** * 4195	-512.93
07/19/2024	Microsoft Edge		176.64
07/19/2024	Microsoft Office		26.08
07/29/2024	Sandy's Trophies		100.19
07/29/2024	CI Information Management		40.00
07/29/2024	Bettendorfs Printing		37.17
Total for U.S. Bank CC (4195)			\$ -83.29
TOTAL			\$ -83.29



# Contractor Payment Register Report

## Kennewick Public Hospital District



Pay Period From 06/01/2024 to 06/30/2024, Pay Date: 07/10/2024, Payment # 9

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
9	Mark C Braut	1,127.00	0.00	0.00	0.00	0.00		0.00	1,127.00	
2	Wanda Briggs	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
11	Debra L Clark	400.00	0.00	0.00	0.00	0.00		0.00	400.00	
3	Leland Kerr	3,300.00	0.00	0.00	0.00	0.00		0.00	3,300.00	
4	Marv Kinney	966.00	0.00	0.00	0.00	0.00		0.00	966.00	
5	Gary Long	644.00	0.00	0.00	0.00	0.00		0.00	644.00	
8	Salem Snowdy	2,500.00	0.00	0.00	0.00	0.00		0.00	2,500.00	
Payment Totals :		9,420.00	0.00	0.00	0.00	0.00		0.00	9,420.00	

# Contractor Payment Register Report

## Kennewick Public Hospital District



Pay Period From 06/01/2024 to 06/30/2024, Pay Date: 07/15/2024, Payment # 12

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
13	Spencer D Harris	805.00	0.00	0.00	0.00	0.00		0.00	805.00	
Payment Totals :		805.00	0.00	0.00	0.00	0.00	0.00	0.00	805.00	

**KENNEWICK PUBLIC HOSPITAL DISTRICT  
BENTON COUNTY, WASHINGTON  
RESOLUTION NO. 2024-7**

**A Resolution changing the time and location of one regular meeting of the Board of  
Commissioners**

**WHEREAS**, the Kennewick Public Hospital District Board of Commissioners have set their calendar of regularly scheduled meetings by Resolution; and

**WHEREAS**, the Kennewick Public Hospital District Board of Commissioners find it desirable to alter the meeting time and location of one regular meeting as set forth below;

**NOW, THEREFORE BE IT RESOLVED** that the regular meeting set forth below is hereby changed as follows:

- Thursday, September 26, 2024 meeting will be moved to the Hampton Inn, 486 Bradley Boulevard, Richland, Washington. The meeting will begin at 12 p.m.

**ADOPTED AND APPROVED** by the Commissioners of Kennewick Public Hospital District, Benton County, Washington, at a regular public meeting thereof this 29th day of August, 2024, the following Commissioners being present and voting:

**KENNEWICK PUBLIC HOSPITAL DISTRICT  
BENTON COUNTY, WASHINGTON**

\_\_\_\_\_  
Mark Brault, President & Commissioner

\_\_\_\_\_  
Spencer Harris, Commissioner

\_\_\_\_\_  
Marv Kinney, Vice President & Commissioner

\_\_\_\_\_  
Richard L. Reil, Commissioner

\_\_\_\_\_  
Wanda L. Briggs, Commissioner

\_\_\_\_\_  
Sheila Dunlop, Commissioner

\_\_\_\_\_  
Gary Long, Commissioner