



**Two Rivers**  
HEALTH DISTRICT

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KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners  
Regular Meeting Packet  
Thursday, Aug. 28, 2025  
Hybrid Meeting  
5:00 pm**

via Zoom and in person at:

**Trios Care Center at Vista Field  
521 N. Young Street, Kennewick, WA 99336**

Kennewick Public Hospital District  
Kennewick, Benton County, Washington

Consent Agenda  
**Aug. 28, 2025**

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 Minutes:  
Meeting Minutes, July 31, 2025

**Kennewick Public Hospital District**  
**Thursday, August 28, 2025 | Hybrid Meeting**  
**5:00 PM**  
**AGENDA**

**I. District Business:**

- A. Approval of Consent Agenda\***
- B. Declare any known or perceived Conflicts Of Interest with agenda items**
- C. Public Comment –**

**II. NEW BUSINESS:**

**A. Reports**

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

**B. Committee Reports/Recommendations**

- 1. Finance Committee – Gary Long/Erica Davis
  - a. Overview of July 2025 Financials – Erica Davis
  - b. Acceptance of July 2025 Financial statements\*
  - c. Approval of July 2025 payments and disbursements\*
  - d. Treasurer’s Report – Gary Long
- 2. Governance Committee Updates – Mark Brault
  - a. General update
- 3. Planning Committee – Wanda Briggs
  - a. General update
- 4. Adult Day Services – Rick Reil/Spencer Harris/Wanda Briggs
  - a. General update

**III. COMMISSIONER COMMENTS**

**IV. Upcoming items – NONE**

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

Next Regularly Scheduled Board Meeting – Thursday, Sept. 25, 2025 @ 5:00 p.m.

**Close of Meeting**

*\*Indicates potential board action.*

**Kennewick Public Hospital District**  
**Thursday, July 31, 2025 | Hybrid Meeting**  
**5:00 PM**  
**MINUTES**

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

Absent: Shannon Phipps

**I. District Business:**

**A. Approval of Consent Agenda**

IT WAS MOVED AND SECONDED TO APPROVE THE ITEMS ON THE CONSENT AGENDA INCLUDING MEETING MINUTES FROM THE JUNE 26, 2025 MEETING. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

**B. Declare any known or perceived Conflicts Of Interest with agenda items –**

No conflicts of interest were declared.

**C. Public Comment – None.**

**II. NEW BUSINESS:**

**A. Reports**

1. Lee Kerr – Superintendent, General Update  
Lee reported on recovery center efforts. The Benton Franklin Behavioral Health Advisory Council has a new president. There is an opening on the council, but it is unknown on how it is being filled.  
Lee is still working on setting a tour for the commissioners.  
Wanda asks if the bankruptcy is indeed closed. Lee stated it is, and Heidi confirmed.
2. Legal Report - Heidi Ellerd, Legal Counsel
  - a. Updates – Records Requests  
Nothing new to report.
3. Administrative Report, Salem Thompson, Board Coordinator  
Nothing new to report.

**B. Committee Reports/Recommendations**

1. Finance Committee – Gary Long/Erica Davis
  - a. Overview of June 2025 Financials – Erica Davis
  - b. Acceptance of June 2025 Financial statements  
IT WAS MOVED AND SECONDED TO APPROVE THE JUNE 2025 FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
  - c. Approval of June 2025 payments and disbursements –  
IT WAS MOVED AND SECONDED TO RATIFY THE JUNE 2025 PAYMENTS AND DISBURSEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

- d. Treasurer's Report – Gary Long –  
The committee met and discussed items related to the financials.
2. Governance Committee Updates – Mark Brault
  - a. Small Works and Vendor List Policy and Resolution – Rick Reil read the resolution.  
IT WAS MOVED AND SECONDED TO APPROVE THE SMALL WORKS, VENDOR, AND CONSULTANT ROSTER POLICY AND RESOLUTION 2025-3 AS PRESENTED.  
DISCUSSION TOOK PLACE ON THE MRSC PROCESS.  
ALL IN FAVOR. MOTION CARRIED.
  - b. General update and upcoming items (if any) – Nothing additional to report.
3. Planning Committee – Wanda Briggs
  - a. CBC Scholarship recipients and funding –  
Discussion on the funding of the scholarships through the Richmond Trust.  
Marv discussed the CBC degree being less costly for an RN degree than if they attend WSU.  
Discussion on funding students for multiple years toward completing a degree. Currently, CBC and WSU award new students each year.  
Gary Long suggested Planning come back to the commission with a recommendation.  
Rick Reil suggested Planning reach out to the institutions on options.  
Marv noted WSU charges an administrative expense where CBC does not. Also noted WSU is a four-year BSN program where CBC has an RN and RN to BSN.  
Spencer stated the CBC program is nationally recognized. Also noted there are other health care degrees including Ultrasound/Imaging, Respiratory Therapy, Social Work, and others, so there are options in allocating scholarship dollars toward a healthcare workforce.  
  
Planning is tasked with meeting with WSU and CBC to gather information to provide a recommendation.  
  
Gary reminded the commissioners that \$35,000 was designated in the budget toward projects which included funding the existing scholarships that total \$8000.  
Spencer noted that faculty for the programs is also a need to be aware of.  
Mark called for a motion to approve funding the scholarships once invoices are received.  
  
IT WAS MOVED AND SECONDED TO APPROVE THE FUNDING OF THE SCHOLARSHIPS TO CBC AND WSU FOR 2025. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
  - b. General update – Planning received an update regarding ADS, but no requests for funding or support were received.
4. Adult Day Services – Rick Reil/Spencer Harris/Wanda Briggs
  - a. General update – Spencer Harris provided an overview of the most recent financial statements. There was a positive bottom line.  
Salem provided a general update on operations, etc.  
Rick noted a short discussion on potential changes to the bylaws, a full discussion is scheduled at their Monday, September 29<sup>th</sup> board meeting.

### III. COMMISSIONER COMMENTS

**IV. Upcoming items – NONE**

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

Next Regularly Scheduled Board Meeting – Thursday, August 28, 2025 @ 5:00 p.m.

**Close of Meeting -6:09 pm**

# Management Reports

Kennewick Public Hospital District  
For the period ended July 31, 2025

Prepared by  
**GFG Accounting Services**

Prepared on  
**August 6, 2025**

For management use only

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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 1056 LGIP-Restricted Funds L&I Claims – Funds held to stay in compliance with state laws. \$500,000 is reserved for L&I self-insurance purposes.

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 2025

	Total	
	Jul 2025	Jan - Jul, 2025 (YTD)
<b>REVENUE</b>		
100 Property Tax Revenue	5,840.12	986,496.40
<b>Total Revenue</b>	<b>5,840.12</b>	<b>986,496.40</b>
<b>COST OF GOODS SOLD</b>		
200 Community Care Agreement	4,672.10	789,197.12
<b>Total Cost of Goods Sold</b>	<b>4,672.10</b>	<b>789,197.12</b>
<b>GROSS PROFIT</b>	<b>1,168.02</b>	<b>197,299.28</b>
<b>EXPENDITURES</b>		
305 Bank Fees	94.94	1,592.03
315 Commissioner Mtg Stipend	2,576.00	21,091.00
320 Facilities Expense		
322 Rent Expense		499.68
323 Utilities	55.00	385.00
<b>Total 320 Facilities Expense</b>	<b>55.00</b>	<b>884.68</b>
326 Insurance	12,584.95	13,197.45
330 Legal and Professional		
331 Attorney Fees	770.00	3,868.58
332 Accounting	1,796.75	12,176.75
333 Audit Expense		15,634.84
335 Administrative Support	2,500.00	17,500.00
336 Other Professional Fees	894.60	6,262.20
<b>Total 330 Legal and Professional</b>	<b>5,961.35</b>	<b>55,442.37</b>
339 Licenses and Taxes	25.00	25.00
340 Office Expenses	204.54	3,201.44
342 Public Records Request	1,422.50	8,884.08
343 Records Management	1,009.16	11,668.81
345 Other Operating Expenses		147.14
347 Public Election Costs		14,828.42
360 Superintendent Compensation	3,300.00	23,100.00
VOID	0.00	0.00
<b>Total Expenditures</b>	<b>27,233.44</b>	<b>154,062.42</b>
<b>NET OPERATING REVENUE</b>	<b>-26,065.42</b>	<b>43,236.86</b>
<b>OTHER REVENUE</b>		
900 Richmond Trust Income	16,806.00	16,806.00
940 Unreal. Gain (Loss) Investments		39,257.63
950 Worker's Comp Reimbursements		84,455.76
960 Interest and Dividend Income	6,478.60	34,599.82
<b>Total Other Revenue</b>	<b>23,284.60</b>	<b>175,119.21</b>

	Total	
	Jul 2025	Jan - Jul, 2025 (YTD)
OTHER EXPENDITURES		
800 Workers Comp Claims Paid		90,844.98
810 Interest Expense	212.77	1,132.43
<b>Total Other Expenditures</b>	<b>212.77</b>	<b>91,977.41</b>
NET OTHER REVENUE	<b>23,071.83</b>	<b>83,141.80</b>
NET REVENUE	<b>\$ -2,993.59</b>	<b>\$126,378.66</b>

# Statement of Financial Position

As of July 31, 2025

Total

## ASSETS

### Current Assets

#### Bank Accounts

1010 US Bank Checking 4037	106,510.33
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1050 Cash Equivalents	
1055 Local Government Investment Pool	1,238,625.65
1056 LGIP-Restricted Funds Insurance	500,000.00

**Total 1055 Local Government Investment Pool 1,738,625.65**

**Total 1050 Cash Equivalents 1,738,625.65**

**Total Bank Accounts 1,847,235.98**

#### Other Current Assets

1105 Tax Receivable	705.00
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**Total Other Current Assets 705.00**

**Total Current Assets 1,847,940.98**

### Other Assets

2001 Richmond Trust (Restricted)	636,337.28
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**Total Other Assets 636,337.28**

**TOTAL ASSETS \$2,484,278.26**

## LIABILITIES AND EQUITY

### Liabilities

#### Current Liabilities

##### Accounts Payable

2020 Accounts Payable	665,926.78
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**Total Accounts Payable 665,926.78**

##### Credit Cards

2024 U.S. Bank CC (4195)	259.54
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**Total Credit Cards 259.54**

##### Other Current Liabilities

2021.50 Current Portion ADS Loan Payable	3,570.58
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**Total Other Current Liabilities 3,570.58**

**Total Current Liabilities 669,756.90**

**Total Liabilities 669,756.90**

### Equity

3200 Net Position	777,417.95
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3210 Restricted - Expendable	341,000.00
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3220 Restricted - Expendable Richmond Trust	569,724.75
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Net Revenue	126,378.66
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	Total
Total Equity	1,814,521.36
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,484,278.26</b>

# Statement of Cash Flows - Last Month

July 2025

	Total
OPERATING ACTIVITIES	
Net Revenue	-2,993.59
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	-16,274.89
2024 U.S. Bank CC (4195)	-113.22
2021.50 Current Portion ADS Loan Payable	-10,759.84
<b>Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:</b>	<b>-27,147.95</b>
<b>Net cash provided by operating activities</b>	<b>-30,141.54</b>
NET CASH INCREASE FOR PERIOD	-30,141.54
Cash at beginning of period	1,877,377.52
<b>CASH AT END OF PERIOD</b>	<b>\$1,847,235.98</b>

Check Detail

July 2025

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
1010 US Bank Checking 4037						
07/07/2025	Bill Payment (Check)	1777	State Auditor's Office	Audit Expense for Jan and Feb 2025	R	-15,634.84
						-15,634.84
07/07/2025	Check	1776	VOID	VOID	R	0.00
						0.00
07/07/2025	Bill Payment (Check)	1778	Advantage IT	Email Security System for August 2025 Remote monitoring	R	-894.60
						-894.60
07/07/2025	Bill Payment (Check)	1779	ColumbiaSoft Corporation	Annual Document Locator License 2025	R	-7,529.65
						-7,529.65
07/08/2025	Expenditure		U.S.Bank CC (4195)	U.S. Bank Credit Card Payment July 2025	R	-372.76
				ACH Debit(s)		-372.76
07/09/2025	Bill Payment (Check)	1780	Adult Day Services	ADS Loan Payment	R	-10,972.61
						-10,972.61
07/09/2025	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s)	R	-9,326.00
				M. Brault, S. Harris, M. Kinney, G. Long, R. Reil		2,576.00
				S. Snowdy		2,500.00
				L. Kerr		3,300.00

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
				D. Clark		950.00
07/15/2025	Bill Payment (Check)	1781	ColumbiaSoft Corporation	Balance Due for Annual Document Locator 2025	R	-59.16
						-59.16
07/15/2025	Expenditure		US Bank	Bank Fees	R	-85.93
				Bank Fees		85.93
07/16/2025	Expenditure		Guardian Financial Group	Monthly Accounting	R	-1,796.75
				Monthly Accounting		1,796.75
07/21/2025	Bill Payment (Check)	1782	Marsh & McLennan Agency, LLC	D&O and Employment Practices Renewal 8/4/25	C	-12,584.95
						-12,584.95



Kennewick Public Hospital District  
Transaction Report - US Bank Credit Card  
July 2025

DATE	TRANSACTION TYPE	ADJ	NAME	ACCOUNT	AMOUNT
U.S. Bank CC (4195)					
Beginning Balance					
07/02/2025	Credit Card Expenditure	No	Adobe	2024 U.S. Bank CC (4195)	21.75
07/08/2025	Expenditure	No	U.S.Bank CC (4195)	2024 U.S. Bank CC (4195)	-372.76
07/21/2025	Credit Card Expenditure	No	Microsoft Office	2024 U.S. Bank CC (4195)	163.20
07/21/2025	Credit Card Expenditure	No	Microsoft Edge	2024 U.S. Bank CC (4195)	19.59
07/24/2025	Credit Card Expenditure	No	Spectrum	2024 U.S. Bank CC (4195)	55.00
Total for U.S. Bank CC (4195)					\$ -113.22
TOTAL					\$ -113.22

# Contractor Payment Register Report

## Kennewick Public Hospital District



Pay Period From 06/01/2025 to 06/30/2025, Pay Date: 07/10/2025, Payment # 11

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
9	Mark C Brault	644.00	0.00	0.00	0.00	0.00		0.00	644.00	
11	Debra L Clark	950.00	0.00	0.00	0.00	0.00		0.00	950.00	
13	Spencer D Harris	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
3	Leland Kerr	3,300.00	0.00	0.00	0.00	0.00		0.00	3,300.00	
4	Marv Kinney	322.00	0.00	0.00	0.00	0.00		0.00	322.00	
5	Gary Long	644.00	0.00	0.00	0.00	0.00		0.00	644.00	
7	Rick Reil	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
8	Salem Snowdy	2,500.00	0.00	0.00	0.00	0.00		0.00	2,500.00	
Payment Totals :		9,326.00	0.00	0.00	0.00	0.00	0.00	0.00	9,326.00	