



Two Rivers

HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

Board of Commissioners
Regular Meeting Packet
Thursday, March 26, 2026
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

March 26, 2026

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, February 26, 2026

Kennewick Public Hospital District
Thursday, March 26, 2026 | Hybrid Meeting
5:00 PM
AGENDA

I. Regular District Business:

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

II. REPORTS/BUSINESS:

- A. Lee Kerr – Superintendent, General Update**
- B. Legal Report - Heidi Ellerd, Legal Counsel**
- C. Administrative Report, Salem Thompson**
- D. Committee Reports/Recommendations**
 - 1. Finance Committee – Spencer Harris/Erica Davis
 - a. Overview of February Financials – Erica Davis
 - b. Acceptance of February 2026 Financial statements*
 - c. Approval of February 2026 payments and disbursements*
 - d. Treasurer’s Report – Spencer Harris
 - 2. Governance Committee Updates – Mark Brault
 - a. General update
 - b. ADS Board Commissioner appointments*
 - c. Discussion regarding Draft Interlocal Agreement between KPHD and Benton County*
 - 3. Planning Committee – Wanda Briggs
 - a. General update
 - 4. Adult Day Services – Rick Reil
 - a. General update

III. COMMISSIONER COMMENTS

IV. Upcoming items – NONE

V. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, April 30, 2026 @ 5:00 p.m.

Close of Meeting

Kennewick Public Hospital District
Thursday, February 26, 2026 | Hybrid Meeting
5:00 PM
MINUTES

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

I. Regular District Business:

A. Approval of Consent Agenda

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA INCLUDING THE MINUTES FROM THE JANUARY 29, 2026 REGULAR MEETING. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

B. Declare any known or perceived Conflicts Of Interest with agenda items – Spencer Harris declared a conflict of interest regarding the Prosser request agenda item.

C. Public Comment –NONE

II. REPORTS/BUSINESS:

A. Lee Kerr – Superintendent, General Update

In a recent meeting with the Trios CEO, there was a positive discussion on joint communication efforts. Lee thanked those who attended the breakfast fundraiser for the recovery center.

Lee will follow up with Heidi on the MOU details for the contribution to the recovery center passed at last month's meeting.

B. Legal Report - Heidi Ellerd, Legal Counsel

Records Requests – Nothing new to report. Heidi requested an update on the oaths of office from Rick and Shannon. Both commissioners report having completed the items.

C. Administrative Report, Salem Thompson, Board Coordinator.

Nothing new to report.

D. Committee Reports/Recommendations

1. Finance Committee – Spencer Harris/Erica Davis

a. Overview of January 2026 Financials – Erica Davis

b. Acceptance of January 2026 Financial statements – overview by Erica Davis.

IT WAS MOVED AND SECONDED TO APPROVE THE JANUARY 2026 FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

c. Approval of January 2026 payments and disbursements- overview by Erica Davis.

IT WAS MOVED AND SECONDED TO APPROVE THE JANUARY 2026 PAYMENTS AND DISBURSEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

d. Treasurer's Report – Spencer Harris reported on the following:

There was a transfer made from the LGIP to cover the quarterly Trios invoice.

Elections invoice – The invoice was received for the elections costs. It did not contain information on the breakdown of costs of the voters pamphlet. A motion is requested to

approve payment.

IT WAS MOVED AND SECONDED TO APPROVE THE ELECTIONS INVOICE AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

Audit Policy – The audit policy was reviewed by the finance committee members, and updates to the policy were provided in the packet.

IT WAS MOVED AND SECONDED TO APPROVE THE AUDIT POLICY WITH THE CHANGES PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

The investment policy was also reviewed by the committee, but no changes were suggested.

2. Governance Committee Updates – Mark Brault

a. General update – Reported on the recent meeting with Trios on the subject of joint communications efforts. Mark stated there seemed to be more understanding of the desire to collaborate. Mark expects some meetings to occur soon.

b. Prosser request – The District received from the Benton County PHD known more commonly as Prosser Memorial Health asking our District for permission to open some access facilities within our boundaries. After discussion, it was deemed that our District does not have any authority or jurisdiction in such matters. A letter response was prepared. IT WAS MOVED AND SECONDED TO APPROVE MARK BRAULT TO SIGN THE LETTER RESPONSE TO PROSSER MEMORIAL'S EMAIL AND LETTER REQUEST. SPENCER HARRIS ABSTAINED FROM VOTING DUE TO POTENTIAL CONFLICT OF INTEREST. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

c. Electronic Media Use Policy – The proposed changes were provided in the packet. IT WAS MOVED AND SECONDED TO APPROVE THE ELECTRONIC MEDIA USE POLICY WITH THE CHANGES PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

3. Planning Committee – Wanda Briggs

a. General update – Wanda talked about the mobile medical unit.

b. ADS funding recommendation – The committee makes a recommendation of providing \$50K toward their parking lot improvement project rather than funds toward operational costs.

IT WAS MOVED AND SECONDED TO PROVIDE ADS WITH \$50K TOWARD ITS UPCOMING PARKING LOT IMPROVEMENTS. DISCUSSION FOLLOWED. ALL IN FAVOR. MOTION CARRIED.

Grace Davidson expressed interest in serving on the Planning Committee, and members of planning would welcome her participation. Wanda asked the full commission to approve the appointment.

IT WAS MOVED AND SECONDED TO APPROVE THE APPOINTMENT OF GRACE DAVIDSON TO THE PLANNING COMMITTEE AS A PUBLIC REPRESENTATIVE. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

4. Adult Day Services – Rick Reil

a. General update – Financial reports showed a positive month.

b. Updates to ADS Bylaws – Rick and Salem provided a short overview of the proposed changes.

IT WAS MOVED AND SECONDED TO APPROVE THE UPDATES TO THE ADS BYLAWS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

III. COMMISSIONER COMMENTS

IV. Upcoming items – NONE

V. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, March 26, 2026 @ 5:00 p.m.

Close of Meeting

Management Reports

Kennewick Public Hospital District

For the period ended February 28, 2026

Prepared by

GFG Accounting Services

Prepared on

March 3, 2026

Table of Contents

Statement of Activity With Year to Date.....	4
Statement of Financial Position	5
Statement of Cash Flows - Last Month.....	6
Check Detail.....	7

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% liquidity 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

February 2026

	Feb 2026	Jan - Feb, 2026 (YTD)	Total
REVENUE			
100 Property Tax Revenue	39,502.02		45,043.47
109 Other Revenue			5,587.15
Total Revenue	39,502.02		50,630.62
COST OF GOODS SOLD			
200 Community Care Agreement	31,601.62		36,034.78
Total Cost of Goods Sold	31,601.62		36,034.78
GROSS PROFIT	7,900.40		14,595.84
EXPENDITURES			
301 Health Initiative Contributions	2,500.00		2,500.00
305 Bank Fees	111.25		212.32
315 Commissioner Mtg Stipend	3,864.00		5,313.00
320 Facilities Expense			
323 Utilities	55.00		110.00
Total 320 Facilities Expense	55.00		110.00
326 Insurance	28.90		82.80
330 Legal and Professional			
331 Attorney Fees	1,049.00		1,859.00
332 Accounting	1,671.65		3,468.30
335 Administrative Support	3,000.00		5,500.00
336 Other Professional Fees	909.57		1,806.08
Total 330 Legal and Professional	6,630.22		12,633.38
340 Office Expenses	226.03		1,375.47
342 Public Records Request	950.00		1,700.00
343 Records Management	850.00		1,625.00
360 Superintendent Compensation	3,300.00		6,600.00
Total Expenditures	18,515.40		32,151.97
NET OPERATING REVENUE	-10,615.00		-17,556.13
OTHER REVENUE			
900 Richmond Trust Income	1,253.75		5,588.95
960 Interest and Dividend Income	3,396.13		8,656.21
Total Other Revenue	4,649.88		14,245.16
NET OTHER REVENUE	4,649.88		14,245.16
NET REVENUE	\$ -5,965.12		\$ -3,310.97

Statement of Financial Position

As of February 28, 2026

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	74,179.76
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1050 Cash Equivalents	
1055 Local Government Investment Pool	674,462.32
1056 LGIP-Restricted Funds Insurance	500,000.00
Total 1055 Local Government Investment Pool	1,174,462.32
Total 1050 Cash Equivalents	1,174,462.32
Total Bank Accounts	1,250,742.08
Other Current Assets	
1105 Tax Receivable	705.00
Total Other Current Assets	705.00
Total Current Assets	1,251,447.08
Other Assets	
2001 Richmond Trust (Restricted)	662,645.79
Total Other Assets	662,645.79
TOTAL ASSETS	\$1,914,092.87
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	36,034.78
Total Accounts Payable	36,034.78
Credit Cards	
2024 U.S. Bank CC (4195)	416.30
Total Credit Cards	416.30
Total Current Liabilities	36,451.08
Total Liabilities	36,451.08
Equity	
3200 Net Position	970,228.01
3210 Restricted - Expendable	341,000.00
3220 Restricted - Expendable Richmond Trust	569,724.75
Net Revenue	-3,310.97
Total Equity	1,877,641.79
TOTAL LIABILITIES AND EQUITY	\$1,914,092.87

Statement of Cash Flows - Last Month

February 2026

	Total
OPERATING ACTIVITIES	
Net Revenue	-5,965.12
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	-36,218.89
2024 U.S. Bank CC (4195)	31.85
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	-36,187.04
Net cash provided by operating activities	-42,152.16
NET CASH INCREASE FOR PERIOD	-42,152.16
Cash at beginning of period	1,292,894.24
CASH AT END OF PERIOD	\$1,250,742.08

Check Detail

February 2026

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
1010 US Bank Checking 4037						
02/04/2026	Expenditure		U.S.Bank CC (4195)	ACH Debit(s)	C	-249.18
				ACH Debit(s)		-249.18
02/04/2026	Expenditure		Mutual of Enumclaw	ACH Debit(s)	C	-53.90
				ACH Debit(s)		53.90
02/05/2026	Bill Payment (Check)	1806	Benton Franklin Recovery Coalition		C	-2,500.00
						-2,500.00
02/09/2026	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s)	C	-10,692.00
				W. Briggs, M. Brault, S. Harris, M. Kinney, R. Reil		3,542.00
				S. Snowdy		3,000.00
				L. Kerr		3,300.00
				D. Clark		850.00
02/10/2026	Bill Payment (Check)	1807	Ellerd, Hultgrenn & Dahlhauser, LLP		C	-1,999.00
						-1,999.00
02/10/2026	Bill Payment (Check)	1808	Advantage IT		C	-909.57
						-909.57
02/12/2026	Bill Payment (Check)	1809	Benton County Treasurer		C	-67,820.51

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
					-67,820.51
02/13/2026	Expenditure	US Bank	Miscellaneous Fee(s)	C	-105.67
			Miscellaneous Fee(s)		105.67
02/17/2026	Expenditure	Guardian Financial Group	ACH Debit(s)	C	-1,671.65
			ACH Debit(s)		1,671.65
02/18/2026	Expenditure	EFT Payments (See Detailed List)	S. Phipps	C	-322.00
			S. Phipps		322.00

Kennewick Public Hospital District

Transaction Report - US Bank Credit Card

March 2024

DATE	TRANSACTION TYPE	NAME	ACCOUNT	AMOUNT	BALANCE
U.S. Bank CC (4195)					
	Beginning Balance				279.45
03/04/2024	Credit Card Expenditure	Bettendorfs Printing	2024 U.S. Bank CC (4195)	58.70	338.15
03/04/2024	Credit Card Expenditure	CI Information Management	2024 U.S. Bank CC (4195)	30.00	368.15
03/04/2024	Credit Card Expenditure	Adobe	2024 U.S. Bank CC (4195)	21.73	389.88
03/04/2024	Expenditure	U.S.Bank CC (4195)	2024 U.S. Bank CC (4195)	-279.45	110.43
03/19/2024	Credit Card Expenditure	Microsoft Edge	2024 U.S. Bank CC (4195)	176.64	287.07
03/19/2024	Credit Card Expenditure	Microsoft Office	2024 U.S. Bank CC (4195)	26.08	313.15
03/25/2024	Credit Card Expenditure	Spectrum	2024 U.S. Bank CC (4195)	55.00	368.15
03/28/2024	Credit Card Expenditure	Zoom Video Communications Inc.	2024 U.S. Bank CC (4195)	173.81	541.96
Total for U.S. Bank CC (4195)				\$262.51	
TOTAL				\$262.51	

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 01/01/2026 to 01/31/2026, Pay Date: 02/10/2026, Payment # 2

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
9	Mark C Brault	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	850.00	0.00	0.00	0.00	0.00	0.00	0.00	850.00	
13	Spencer D Harris	805.00	0.00	0.00	0.00	0.00	0.00	0.00	805.00	
3	Leland Kerr	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00	3,300.00	
4	Marv Kinney	483.00	0.00	0.00	0.00	0.00	0.00	0.00	483.00	
7	Rick Reil	644.00	0.00	0.00	0.00	0.00	0.00	0.00	644.00	
8	Salem Snowdy	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00	
Payment Totals :		10,692.00	0.00	0.00	0.00	0.00	0.00	0.00	10,692.00	

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 01/01/2026 to 01/31/2026, Pay Date: 02/19/2026, Payment # 5

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
14	Shannon Phipps	322.00	0.00	0.00	0.00	0.00	0.00	0.00	322.00	
Payment Totals :		322.00	0.00	0.00	0.00	0.00	0.00	0.00	322.00	

COLUMBIA VALLEY CENTER FOR RECOVERY

PARTICIPATION INTERLOCAL AGREEMENT

Whereas, Benton County, Washington (County) and the **Kennewick Public Hospital District No. 1** (District) have entered into this agreement to provide a framework for collaboration and support of the creation of the **Columbia Valley Center for Recovery** (Facility), and

Whereas, both parties, as municipal corporations, are authorized by RCW 39.34 to enter into agreements to provide services and facilities for the benefit of the constituents of their respective and concurrent jurisdictions, and

Whereas, the District is authorized by RCW 70.44 to contractually provide financial support for the development of healthcare facilities which serve its constituents, and the County is completing the construction of the Columbia Valley Center for Recovery within the parties' joint boundaries, and

Whereas, the purpose of this agreement is to fund that portion of the construction cost for that project known as the East Entry Betterments,

Now, Therefore, in consideration of the mutual covenants provided herein, the Parties agree as follows:

1. **Purpose.** The purpose of this Agreement is to assist the County by funding a portion of the construction of the Facility; specifically the East Entry Betterments of the Facility facing and located on Auburn Street in Kennewick, WA.
2. **Financing.** The District shall pay to the County the sum of Two-hundred and Fifty Thousand Dollars (\$250,000) upon the completion of the work, and installation of a plaque in a form agreed upon by the District at the East Entry Betterments recognizing the financial contribution of the District.
3. **General Terms.** No separate legal entity is created, nor are any special or joint accounts or agencies created by this Agreement. Administration of the Agreement shall be by the County. This Agreement shall be filed by a posting on the District's website in compliance with RCW 39.34.040.
4. **Mutual Cooperation.** The parties agree to work together and support each other in the completion of the East Entry Project.
5. **Duration.** This Agreement will remain in effect until completion of the construction of the Columbia Valley Center for Recovery.

6. Property. There will be no real or personal property acquired as a part of this Agreement.

Signed in authentication of this Agreement, this ____ day of March 2026

Benton County, Washington

Kennewick Public Hospital District

Michael Alvarez

Mark Brault

Chair, Board of County Commissioners

Chair, Board of Commissioners

Kennewick Public Hospital District