



Two Rivers

HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

Board of Commissioners

Regular Meeting Packet

Thursday, May 28, 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

May 28, 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, March 26, 2026

Kennewick Public Hospital District
Thursday, May 28, 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 March and April 2026 Financials – Erica Davis
 - b. Acceptance of March and April 2026 Financial statements*
 - c. Approval of March and April 2026 payments and disbursements*
 - d. Treasurer’s Report – Spencer Harris
 - 2. Governance Committee Updates – Mark Brault
 - a. General update
 - b. Southridge Revitalization Area assessment
 - c. Conflict of Interest Policy*
 - 3. Planning Committee – Wanda Briggs
 - a. CBC Donation for two items:
Scholarship for Substance Abuse Disorder Professional Students (\$10,000) and
Surgical Technology Manikin (\$15,000) *
 - b. General update
 - 4. Adult Day Services – Wanda Briggs
 - a. General update

III. COMMISSIONER COMMENTS

IV. Upcoming items – NONE

V. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, June 25, 2026 @ 5:00 p.m.

Close of Meeting

Kennewick Public Hospital District
Thursday, March 26, 2026 | Hybrid Meeting
5:00 pm.
MINUTES

Attendance: Mark Brault, Rick Reil, Marv Kinney, Spencer Harris, Gary Long, Salem Thompson and Heidi Ellerd.

Absent (excused): Wanda Briggs, Lee Kerr, Shannon Phipps

I. Regular District Business:

A. Approval of Consent Agenda

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA, INCLUDING MINUTES FROM THE FEBRUARY 26, 2026 REGULAR MEETING. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

B. Declare any known or perceived Conflicts Of Interest - None declared.

C. Public Comment – None.

II. REPORTS/BUSINESS:

A. Lee Kerr – Superintendent, General Update – Absent, excused.

B. Legal Report - Heidi Ellerd, Legal Counsel – Nothing new to report.

C. Administrative Report, Salem Thompson - Nothing new to report.

D. Committee Reports/Recommendations

1. Finance Committee – Spencer Harris/Erica Davis

a. Overview of February Financials – Erica Davis presented the reports.

b. Acceptance of February 2026 Financial Statements

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

c. Approval of February 2026 payments and disbursements

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

d. Treasurer's Report – Spencer Harris –

The finance committee discussed the prior year's audit findings. Since Guardian has taken over ADS's financials, most of the identified items have been addressed.

Some District bank accounts may need changes, along with updated financial notes regarding those accounts. Spencer expressed thanks to Gary for serving as the liaison for the workers'

comp account, including setting up some upcoming meetings.

2. Governance Committee Updates – Mark Brault

a. General update - Reminder to complete F1 reports before the upcoming due date.

Discussion was held about attending events in the Tri-Cities and which ones to attend. It was suggested that Governance and Planning Committee meetings should take this under consideration and place this in the budget for 2027.

b. ADS Board Commissioner appointments

Current committee assignments on the District remain the same for the Finance, Planning, and Governance Committees.

Three commissioners serve on the ADS board and Gary Long is nominated to replace Rick Reil who has served on the board for over 30 years.

Mark and others expressed thanks to Rick Reil for his many years of service and dedication to the ADS board.

MOTION TO APPOINT GARY LONG TO THE ADS BOARD STARTING MAY 2026. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

c. Discussion regarding Draft Interlocal Agreement between KPHD and Benton County.

MOTION TO APPROVE MARK BRAULT TO SIGN THE INTERLOCAL AGREEMENT BETWEEN KPHD AND BENTON COUNTY AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

3. Planning Committee – Marv Kinney for Wanda Briggs

a. General update – Planning discussed promoting the most recent donations to the recovery center and WSU Tri-Cities among other topics.

Planning members asked for assistance to ensure follow-up with Trios for communications purposes. A meeting will be arranged soon.

WSU Tri-Cities is taking the lead on a check presentation event. Gary reminds the commissioners that we should recognize the Richmond Trust, as some of the funds come from that source. All agreed and will provide the information to WSU Tri-Cities.

4. Adult Day Services – Rick Reil

a. General update –

Positive bottom line for the month, and operations are steady.

At the recent board meeting, the District's parking lot contribution was discussed and approved as it helps to provide health care services for the residents of the District.

III. COMMISSIONER COMMENTS

IV. Upcoming items – NONE

V. BOARD MEETINGS/EVENTS/EDUCATION – Note: Mark will not be at next month's meeting.

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

Close of Meeting 5:28 pm

Management Reports

Kennewick Public Hospital District
For the period ended March 31, 2026

Prepared by
GFG Accounting Services

Prepared on
April 8, 2026

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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

March 2026

| | Mar 2026 | Jan - Mar, 2026 (YTD) | Total |
|---|-------------------|-----------------------|-------------------|
| REVENUE | | | |
| 100 Property Tax Revenue | 112,870.84 | | 157,914.31 |
| 109 Other Revenue | | | 5,587.15 |
| Total Revenue | 112,870.84 | | 163,501.46 |
| COST OF GOODS SOLD | | | |
| 200 Community Care Agreement | 90,296.67 | | 126,331.45 |
| Total Cost of Goods Sold | 90,296.67 | | 126,331.45 |
| GROSS PROFIT | 22,574.17 | | 37,170.01 |
| EXPENDITURES | | | |
| 301 Health Initiative Contributions | | | 2,500.00 |
| 303 Scholarship Contributions | 4,200.00 | | 4,200.00 |
| 305 Bank Fees | 102.35 | | 314.67 |
| 315 Commissioner Mtg Stipend | 3,972.69 | | 9,285.69 |
| 320 Facilities Expense | | | |
| 323 Utilities | 55.00 | | 165.00 |
| Total 320 Facilities Expense | 55.00 | | 165.00 |
| 326 Insurance | 53.90 | | 136.70 |
| 330 Legal and Professional | | | |
| 331 Attorney Fees | 550.00 | | 2,409.00 |
| 332 Accounting | 1,796.75 | | 5,265.05 |
| 335 Administrative Support | 3,000.00 | | 8,500.00 |
| 336 Other Professional Fees | 909.57 | | 2,715.65 |
| Total 330 Legal and Professional | 6,256.32 | | 18,889.70 |
| 340 Office Expenses | 472.95 | | 1,958.85 |
| 342 Public Records Request | 445.00 | | 2,145.00 |
| 343 Records Management | 750.00 | | 2,375.00 |
| 360 Superintendent Compensation | 3,300.00 | | 9,900.00 |
| Total Expenditures | 19,608.21 | | 51,870.61 |
| NET OPERATING REVENUE | 2,965.96 | | -14,700.60 |
| OTHER REVENUE | | | |
| 900 Richmond Trust Income | 255.52 | | 5,844.47 |
| 940 Unreal. Gain (Loss) Investments | -2,288.85 | | -2,288.85 |
| 960 Interest and Dividend Income | 3,716.59 | | 12,372.80 |
| Total Other Revenue | 1,683.26 | | 15,928.42 |
| NET OTHER REVENUE | 1,683.26 | | 15,928.42 |
| NET REVENUE | \$4,649.22 | | \$1,227.82 |

Statement of Financial Position

As of March 31, 2026

| | Total |
|--|-----------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| 1010 US Bank Checking 4037 | 167,825.40 |
| 1020 Health Initiative Reserves 2765 | 2,000.00 |
| 1030 US Bank 6221 | 100.00 |
| 1050 Cash Equivalents | |
| 1055 Local Government Investment Pool | 678,163.07 |
| 1056 LGIP-Restricted Funds Insurance | 500,000.00 |
| Total 1055 Local Government Investment Pool | 1,178,163.07 |
| Total 1050 Cash Equivalents | 1,178,163.07 |
| Total Bank Accounts | 1,348,088.47 |
| Other Current Assets | |
| 1105 Tax Receivable | 705.00 |
| Total Other Current Assets | 705.00 |
| Total Current Assets | 1,348,793.47 |
| Other Assets | |
| 2001 Richmond Trust (Restricted) | 660,356.94 |
| Total Other Assets | 660,356.94 |
| TOTAL ASSETS | \$2,009,150.41 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2020 Accounts Payable | 126,331.45 |
| Total Accounts Payable | 126,331.45 |
| Credit Cards | |
| 2024 U.S. Bank CC (4195) | 638.38 |
| Total Credit Cards | 638.38 |
| Total Current Liabilities | 126,969.83 |
| Total Liabilities | 126,969.83 |
| Equity | |
| 3200 Net Position | 970,228.01 |
| 3210 Restricted - Expendable | 341,000.00 |
| 3220 Restricted - Expendable Richmond Trust | 569,724.75 |
| Net Revenue | 1,227.82 |
| Total Equity | 1,882,180.58 |
| TOTAL LIABILITIES AND EQUITY | \$2,009,150.41 |

Statement of Cash Flows - Last Month

March 2026

| | Total |
|---|-----------------------|
| OPERATING ACTIVITIES | |
| Net Revenue | 4,649.22 |
| Adjustments to reconcile Net Revenue to Net Cash provided by operations: | |
| 2020 Accounts Payable | 90,296.67 |
| 2024 U.S. Bank CC (4195) | 111.65 |
| Total Adjustments to reconcile Net Revenue to Net Cash provided by operations: | 90,408.32 |
| Net cash provided by operating activities | 95,057.54 |
| INVESTING ACTIVITIES | |
| 2001 Richmond Trust (Restricted) | 2,288.85 |
| Net cash provided by investing activities | 2,288.85 |
| NET CASH INCREASE FOR PERIOD | 97,346.39 |
| Cash at beginning of period | 1,250,742.08 |
| CASH AT END OF PERIOD | \$1,348,088.47 |

Check Detail

March 2026

| Date | Transaction Type | Num | Name | Memo/Description | Clr | Amount |
|-----------------------------------|----------------------|------|--|--|-----|-----------|
| 1010 US Bank Checking 4037 | | | | | | |
| 03/02/2026 | Expenditure | | U.S.Bank CC (4195) | ACH Debit(s) | R | -416.30 |
| | | | | ACH Debit(s) | | -416.30 |
| 03/04/2026 | Expenditure | | Mutual of Enumclaw | ACH Debit(s) | R | -53.90 |
| | | | | ACH Debit(s) | | 53.90 |
| 03/05/2026 | Expenditure | | Guardian Financial Group | ACH Debit(s) | R | -125.10 |
| | | | | ACH Debit(s) | | 125.10 |
| 03/09/2026 | Expenditure | | EFT Payments (See Detailed List) | ACH Debit(s) | R | -9,626.00 |
| | | | | W. Briggs, S. Harris, M. Kinney, R. Reil | | 2,576.00 |
| | | | | S. Snowdy | | 3,000.00 |
| | | | | L. Kerr | | 3,300.00 |
| | | | | D. Clark | | 750.00 |
| 03/10/2026 | Bill Payment (Check) | 1811 | Ellerd, Hultgrenn & Dahlhauser, LLP | | R | -995.00 |
| | | | | | | -995.00 |
| 03/10/2026 | Bill Payment (Check) | 1812 | Advantage IT | | R | -909.57 |
| | | | | | | -909.57 |
| 03/10/2026 | Bill Payment (Check) | 1813 | Washington State University Tri-Cities | | R | -4,200.00 |
| | | | | | | -4,200.00 |
| 03/10/2026 | Expenditure | | Brault, Mark | ACH Debit(s) | R | -1,074.69 |
| | | | | ACH Debit(s) | | 1,074.69 |

| Date | Transaction Type | Num Name | Memo/Description | Clr | Amount |
|------------|------------------|--------------------------|----------------------|-----|-----------|
| 03/12/2026 | Expenditure | Long, Gary | ACH Debit(s) | R | -322.00 |
| | | | ACH Debit(s) | | 322.00 |
| 03/13/2026 | Expenditure | US Bank | Miscellaneous Fee(s) | R | -96.06 |
| | | | Miscellaneous Fee(s) | | 96.06 |
| 03/16/2026 | Expenditure | Guardian Financial Group | ACH Debit(s) | R | -1,671.65 |
| | | | ACH Debit(s) | | 1,671.65 |

Kennewick Public Hospital District

Transaction Report - US Bank Credit Card

March 2026

| DATE | TRANSACTION TYPE | NAME | ACCOUNT | AMOUNT |
|--------------------------------------|-------------------------|--------------------------------|--------------------------|-----------------|
| U.S. Bank CC (4195) | | | | |
| | Beginning Balance | | | |
| 03/02/2026 | Credit Card Expenditure | Adobe | 2024 U.S. Bank CC (4195) | 21.75 |
| 03/02/2026 | Expenditure | U.S.Bank CC (4195) | 2024 U.S. Bank CC (4195) | -416.30 |
| 03/19/2026 | Credit Card Expenditure | Microsoft Office | 2024 U.S. Bank CC (4195) | 176.80 |
| 03/19/2026 | Credit Card Expenditure | Microsoft Edge | 2024 U.S. Bank CC (4195) | 19.59 |
| 03/23/2026 | Credit Card Expenditure | Spectrum | 2024 U.S. Bank CC (4195) | 55.00 |
| 03/26/2026 | Credit Card Expenditure | FedEx Office | 2024 U.S. Bank CC (4195) | 69.96 |
| 03/30/2026 | Credit Card Expenditure | Zoom Video Communications Inc. | 2024 U.S. Bank CC (4195) | 184.85 |
| Total for U.S. Bank CC (4195) | | | | \$111.65 |
| TOTAL | | | | \$111.65 |

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 02/01/2026 to 02/28/2026, Pay Date: 03/10/2026, Payment # 4

| # | Contractor Name | Compensation | Federal Tax | YTD | State Tax | YTD | Reimbursement | Deductions | Net pay | Check # |
|------------------|------------------|--------------|-------------|------|-----------|------|---------------|------------|----------|---------|
| 2 | Wanda Briggs | 805.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 805.00 | |
| 11 | Debra L Clark | 750.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 750.00 | |
| 13 | Spencer D Harris | 644.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 644.00 | |
| 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 : | | 9,626.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9,626.00 | |

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 02/01/2026 to 02/28/2026, Pay Date: 03/11/2026, Payment # 7

| # | Contractor Name | Compensation | Federal Tax | YTD | State Tax | YTD | Reimbursement | Deductions | Net pay | Check # |
|------------------|-----------------|--------------|-------------|------|-----------|------|---------------|------------|----------|---------|
| 9 | Mark C Brault | 966.00 | 0.00 | 0.00 | 0.00 | 0.00 | 108.69 | 0.00 | 1,074.69 | |
| Payment Totals : | | 966.00 | 0.00 | 0.00 | 0.00 | 0.00 | 108.69 | 0.00 | 1,074.69 | |

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 02/01/2026 to 02/28/2026, Pay Date: 03/13/2026, Payment # 8

| # | Contractor Name | Compensation | Federal Tax | YTD | State Tax | YTD | Reimbursement | Deductions | Net pay | Check # |
|------------------|-----------------|--------------|-------------|------|-----------|------|---------------|------------|---------|---------|
| 5 | Gary Long | 322.00 | 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 | |

Management Reports

Kennewick Public Hospital District
For the period ended April 30, 2026

Prepared by
GFG Accounting Services

Prepared on
May 15, 2026

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Account 1020 Health Initiative Fund—Funds held 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 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.

Statement of Activity With Year to Date

April 2026

| | Apr 2026 | Jan - Apr, 2026 (YTD) | Total |
|---|--------------------|-----------------------|--------------------|
| REVENUE | | | |
| 100 Property Tax Revenue | 271,238.72 | | 429,153.03 |
| 109 Other Revenue | | | 5,587.15 |
| Total Revenue | 271,238.72 | | 434,740.18 |
| COST OF GOODS SOLD | | | |
| 200 Community Care Agreement | 216,990.98 | | 343,322.43 |
| Total Cost of Goods Sold | 216,990.98 | | 343,322.43 |
| GROSS PROFIT | 54,247.74 | | 91,417.75 |
| EXPENDITURES | | | |
| 301 Health Initiative Contributions | | | 2,500.00 |
| 303 Scholarship Contributions | 20,000.00 | | 24,200.00 |
| 305 Bank Fees | 109.32 | | 423.99 |
| 315 Commissioner Mtg Stipend | 2,093.00 | | 11,378.69 |
| 320 Facilities Expense | | | |
| 323 Utilities | 55.00 | | 220.00 |
| Total 320 Facilities Expense | 55.00 | | 220.00 |
| 326 Insurance | 53.90 | | 215.60 |
| 330 Legal and Professional | | | |
| 331 Attorney Fees | 561.25 | | 2,970.25 |
| 332 Accounting | 1,671.65 | | 6,936.70 |
| 335 Administrative Support | 3,000.00 | | 11,500.00 |
| 336 Other Professional Fees | 1,542.41 | | 6,202.35 |
| Total 330 Legal and Professional | 6,775.31 | | 27,609.30 |
| 340 Office Expenses | 218.14 | | 2,176.99 |
| 342 Public Records Request | 740.00 | | 2,885.00 |
| 343 Records Management | 500.00 | | 2,875.00 |
| 360 Superintendent Compensation | 3,300.00 | | 13,200.00 |
| Total Expenditures | 33,844.67 | | 87,684.57 |
| NET OPERATING REVENUE | 20,403.07 | | 3,733.18 |
| OTHER REVENUE | | | |
| 900 Richmond Trust Income | | | 5,844.47 |
| 940 Unreal. Gain (Loss) Investments | 31,314.17 | | 27,466.21 |
| 960 Interest and Dividend Income | 4,050.69 | | 19,926.89 |
| Total Other Revenue | 35,364.86 | | 53,237.57 |
| NET OTHER REVENUE | 35,364.86 | | 53,237.57 |
| NET REVENUE | \$55,767.93 | | \$56,970.75 |

Statement of Financial Position

As of April 30, 2026

| | Total |
|--|-----------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| 1010 US Bank Checking 4037 | 300,481.88 |
| 1020 Health Initiative Reserves 2765 | 2,000.00 |
| 1030 US Bank 6221 | 100.00 |
| 1050 Cash Equivalents | |
| 1055 Local Government Investment Pool | 681,745.16 |
| 1056 LGIP-Restricted Funds Insurance | 500,000.00 |
| Total 1055 Local Government Investment Pool | 1,181,745.16 |
| Total 1050 Cash Equivalents | 1,181,745.16 |
| Total Bank Accounts | 1,484,327.04 |
| Other Current Assets | |
| 1105 Tax Receivable | 705.00 |
| Total Other Current Assets | 705.00 |
| Total Current Assets | 1,485,032.04 |
| Other Assets | |
| 2001 Richmond Trust (Restricted) | 691,481.84 |
| Total Other Assets | 691,481.84 |
| TOTAL ASSETS | \$2,176,513.88 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2020 Accounts Payable | 238,317.23 |
| Total Accounts Payable | 238,317.23 |
| Credit Cards | |
| 2024 U.S. Bank CC (4195) | 273.14 |
| Total Credit Cards | 273.14 |
| Total Current Liabilities | 238,590.37 |
| Total Liabilities | 238,590.37 |
| Equity | |
| 3200 Net Position | 970,228.01 |
| 3210 Restricted - Expendable | 341,000.00 |
| 3220 Restricted - Expendable Richmond Trust | 569,724.75 |
| Net Revenue | 56,970.75 |
| Total Equity | 1,937,923.51 |
| TOTAL LIABILITIES AND EQUITY | \$2,176,513.88 |

Statement of Cash Flows - Last Month

April 2026

| | Total |
|---|-----------------------|
| OPERATING ACTIVITIES | |
| Net Revenue | 55,767.93 |
| Adjustments to reconcile Net Revenue to Net Cash provided by operations: | |
| 2020 Accounts Payable | 111,960.78 |
| 2024 U.S. Bank CC (4195) | -365.24 |
| Total Adjustments to reconcile Net Revenue to Net Cash provided by operations: | 111,595.54 |
| Net cash provided by operating activities | 167,363.47 |
| INVESTING ACTIVITIES | |
| 2001 Richmond Trust (Restricted) | -31,124.90 |
| Net cash provided by investing activities | -31,124.90 |
| NET CASH INCREASE FOR PERIOD | 136,238.57 |
| Cash at beginning of period | 1,348,088.47 |
| CASH AT END OF PERIOD | \$1,484,327.04 |

Check Detail

April 2026

| Date | Transaction Type | Num | Name | Memo/Description | Clr | Amount |
|-----------------------------------|----------------------|------|----------------------------------|-----------------------------|-----|-------------|
| 1010 US Bank Checking 4037 | | | | | | |
| 04/01/2026 | Expenditure | | U.S.Bank CC (4195) | ACH Debit(s) | R | -638.38 |
| | | | | ACH Debit(s) | | -638.38 |
| 04/06/2026 | Expenditure | | Mutual of Enumclaw | ACH Debit(s) | R | -53.90 |
| | | | | ACH Debit(s) | | 53.90 |
| 04/09/2026 | Bill Payment (Check) | 1814 | Trios Health - V | | C | -126,331.45 |
| | | | | | | -126,331.45 |
| 04/09/2026 | Bill Payment (Check) | 1815 | Advantage IT | | R | -909.57 |
| | | | | | | -909.57 |
| 04/09/2026 | Expenditure | | Brault, Mark | ACH Debit(s) | R | -805.00 |
| | | | | ACH Debit(s) | | 805.00 |
| 04/09/2026 | Expenditure | | EFT Payments (See Detailed List) | ACH Debit(s) | R | -8,088.00 |
| | | | | M. Kinney, G. Long, R. Reil | | 1,288.00 |
| | | | | S. Snowdy | | 3,000.00 |
| | | | | L. Kerr | | 3,300.00 |
| | | | | D. Clark | | 500.00 |

| Date | Transaction Type | Num Name | Memo/Description | Clr | Amount |
|-------------|-------------------------|--------------------------|-------------------------|------------|---------------|
| 04/14/2026 | Expenditure | US Bank | Miscellaneous Fee(s) | R | -103.71 |
| | | | Miscellaneous Fee(s) | | 103.71 |
| 04/15/2026 | Expenditure | Guardian Financial Group | ACH Debit(s) | R | -1,671.65 |
| | | | ACH Debit(s) | | 1,671.65 |

Transaction Report - US Bank Credit Card

April 2026

| Date | Transaction Type | Num | Adj | Name | Memo/Description | Account | Split | Amount | Balance |
|--------------------------------------|-------------------------|-----|-----|--------------------|------------------|--------------------------|----------------------------------|-------------------|---------|
| U.S. Bank CC (4195) | | | | | | | | | |
| Beginning Balance | | | | | | | | | 638.38 |
| 04/01/2026 | Expenditure | | No | U.S.Bank CC (4195) | ACH Debit(s) | 2024 U.S. Bank CC (4195) | 1010 US Bank Checking 4037 | -638.38 | 0.00 |
| 04/02/2026 | Credit Card Expenditure | | No | Adobe | | 2024 U.S. Bank CC (4195) | 340 Office Expenses | 21.75 | 21.75 |
| 04/20/2026 | Credit Card Expenditure | | No | Microsoft Office | | 2024 U.S. Bank CC (4195) | 340 Office Expenses | 176.80 | 198.55 |
| 04/20/2026 | Credit Card Expenditure | | No | Spectrum | | 2024 U.S. Bank CC (4195) | 323 Facilities Expense:Utilities | 55.00 | 253.55 |
| 04/20/2026 | Credit Card Expenditure | | No | Microsoft Edge | | 2024 U.S. Bank CC (4195) | 340 Office Expenses | 19.59 | 273.14 |
| Total for U.S. Bank CC (4195) | | | | | | | | \$ -365.24 | |
| TOTAL | | | | | | | | \$ -365.24 | |

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 03/01/2026 to 03/31/2026, Pay Date: 04/10/2026, Payment # 6

| # | Contractor Name | Compensation | Federal Tax | YTD | State Tax | YTD | Reimbursement | Deductions | Net pay | Check # |
|------------------|-----------------|--------------|-------------|------|-----------|------|---------------|------------|----------|---------|
| 11 | Debra L Clark | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 500.00 | |
| 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 | |
| 5 | Gary Long | 322.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 322.00 | |
| 7 | Rick Reil | 483.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 483.00 | |
| 8 | Salem Snowdy | 3,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,000.00 | |
| Payment Totals : | | 8,088.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8,088.00 | |

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 03/01/2026 to 03/31/2026, Pay Date: 04/10/2026, Payment # 10

| # | Contractor Name | Compensation | Federal Tax | YTD | State Tax | YTD | Reimbursement | Deductions | Net pay | Check # |
|------------------|-----------------|--------------|-------------|------|-----------|------|---------------|------------|---------|---------|
| 9 | Mark C Brault | 805.00 | 0.00 | 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 | |

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|--|--------------|---|--|--|--|
| Kennewick Public Hospital District | | Page 1 of 11 | | | |
| TITLE: Conflict of Interest Policy for Officers of the District | | Implementation Date: 02/2005 Revised Date: 02/08, 01/15. 2019, 2026 | | | |
| APPROVED: (Signed) <u>Signature on file</u> (Typed) Mark Brault, President Date: 2026 | Reviewed by: | Mark Brault | | | |
| | Date: | 2026 | | | |

I. PURPOSE:

The purpose of this Conflict of Interest Policy for Officers (the “Policy”) is to protect the interests of Kennewick Public Hospital District, Benton County, Washington (the “District”), when it contemplates a transaction or arrangement or makes other decisions that might benefit the private interest of an officer of the District, including members of the District’s Board of Commissioners. This Policy is intended to supplement but not to replace any applicable laws governing conflicts of interest applicable to public hospital districts, including Chapter 42.23 RCW.

II. POLICY:

A. Definitions

1. “Board” means the Board of Commissioners of the District.
2. “Commissioner” means a member of the Board of Commissioners of the District.
3. “Officer” means all elected and appointed officers of the District, together with all deputies and assistants of such officer, and all persons exercising or undertaking to exercise any of the powers or functions of an officer.
4. “Interested Officer” means an Officer who has or may have an actual or potential Conflict of Interest.
5. “Disinterested Officer” means an Officer who does not have an actual or potential conflict of interest.
6. “Confidential Information” means all information that is (i) learned or disclosed to a Commissioner in the course of performing his or her duties on the Board and (ii) not available as a matter of public knowledge or public record.
7. “Conflict of Interest” means any situation when a Commissioner or immediate family member of a Commissioner has: (a) an ownership or

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| Kennewick Public Hospital District | Page 2 of 11 |
| TITLE: Conflict of Interest Policy for Officers of the District | Implementation Date: 01/2015 Revised Date: 02/08, 01/15, 2026 |

investment interest in any entity with which the District enters into a transaction or other arrangement; (ii) a compensation arrangement with the District or any entity or individual with which the District enters into a transaction or arrangement; (iii) accepted any compensation, gratuity or reward if such acceptance may appear to influence the performance of a Commissioner’s duties; or (iv) a beneficial interest, direct or indirect, in any Contract which may be made by, through or under the supervision of the Commissioner, in whole or in part, or which may be made for the benefit of his or her office or accepted, directly or indirectly, any compensation, gratuity or reward in connection with such Contract from any other person beneficially interested in such Contract.

8. “Contract” means any contract, sale, lease, or purchase.
9. “Remote Interest” means: (i) a non-salaried officer of a nonprofit corporation; (ii) an employee or agent of a contracting party where the compensation of such employee or agent consists entirely of fixed wages or salary; (iii) a landlord or tenant of a contracting party; or (iv) a holder of less than one percent of the shares of a corporation or cooperative that is a contracting party.
10. “Superintendent” means the Chief Executive Officer of the District.

III. PROCEDURE FOR IMPLEMENTATION:

A. Conflict of Interest Procedures Generally:

1. **Duty to Disclose.** If an Officer knows or should know of an actual or possible Conflict of Interest relating to himself, herself, or another Officer, he or she shall disclose any and all material facts relating to the conflict. If the Officer who has the actual or possible Conflict of Interest is a Commissioner or the Superintendent, the disclosure shall be made to the Board. All other Officers shall make the disclosure to the Superintendent.
2. **Addressing Conflicts.** The Board or the Superintendent, as appropriate, shall review the facts and circumstances concerning a possible Conflict of Interest to determine whether an actual Conflict of Interest exists and, if so, what alternatives exist to eliminate the Conflict of Interest.
3. **Listing of Contracts.** The District shall maintain a list of all Contracts. Such list shall be made available for public inspection and copying.
4. **Annual Statement.** Each Officer shall sign a statement annually that discloses his or her Conflicts of Interest and affirms that the Officer: has

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| Kennewick Public Hospital District | Page 3 of 11 |
| TITLE: Conflict of Interest Policy for Officers of the District | Implementation Date: 01/2015 Revised Date: 02/08, 01/15, 2026 |

received a copy of the Conflict of Interest Policy; has read and understands the Policy; and has agreed to comply with the Policy.

5. Approval Procedures for Matters Involving Conflict of Interest. No Interested Officer may approve or, in the case of Commissioners, vote on any Contract in which he or she has a Remote Interest or with respect to any of the Contracts or influence or attempt to influence the approval or vote of any Disinterested Officer with respect to such matters. With respect to all other Conflicts of Interest, Interested Officers are encouraged to abstain from approving or voting or influencing or attempting to influence the approval or vote of a Disinterested Officer with respect to such matters.

B. Conflict of Interest Procedures for Board Meetings:

1. Agenda for Board Meetings. The agenda for all Board meetings shall include, prior to approval of any business, an agenda item that allows for the disclosure and discussion of any and all Conflicts of Interest. The President of the Board shall list and describe in the agenda to the best of his or her ability any Conflicts of Interest that have been disclosed to him or her prior to the meeting and any Conflict of Interest known to him or her relating to any specific items of business on the agenda. If the President of the Board is uncertain about whether a Conflict of Interest exists with respect to a particular agenda item, then he or she may insert commentary next to the agenda item asking the Board to determine whether a Conflict of Interest exists prior to conducting any business relating thereto.
2. Record of Board Meetings. The minutes of the Board meetings shall contain the name of any Interested Officer who disclosed or otherwise was found to have an actual or possible Conflict of Interest, the nature of the beneficial interest, any action taken to determine whether a Conflict of Interest was present, and the Board's decision as to whether a Conflict of Interest existed. A notation with respect to the matters shall be made in the minutes before the Board votes on any matter involving a Conflict of Interest. The minutes shall also contain the names of the Commissioners who were present for discussions and votes relating to the transaction or arrangement and the content of the discussion, including any alternatives to the proposed transaction or arrangement.

C. Prohibited Conflicts of Interest.

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| Kennewick Public Hospital District | Page 4 of 11 |
| TITLE: Conflict of Interest Policy for Officers of the District | Implementation Date: 01/2015 Revised Date: 02/08, 01/15, 2026 |

1. Prohibited Acts in General. No Officer shall:

- a. use his or her position to secure special privileges or exemptions for himself, herself, spouse, child, parents, employer or other persons;
- b. directly or indirectly give or receive or agree to receive any compensation, gift, reward, or gratuity from a source except the District, for a matter connected with or related to his or her services as an Officer unless otherwise provided for by law;
- c. accept employment or engage in a business or professional activity that the Officer might reasonably expect would require or induce him or her by reason of his or her official position to disclose Confidential Information acquired by reason of his or her position as an Officer; or
- d. disclose confidential Information or other privileged or proprietary information gained by reason of his or her position, nor may the Officer use such information for his or her personal profit, gain or benefit, or for the personal profit, gain, or benefit of others.

D. Prohibited Interest in Contracts. Except as permitted by section E. below, no Officer shall:

1. be beneficially interested, directly or indirectly, in any Contract which may be made by, through or under the supervision of such Commissioner, in whole or in part.
2. be beneficially interested, directly or indirectly, in any Contract, which may be made for the benefit of his or her position on the Board.
3. accept, directly or indirectly, any compensation, gratuity, or reward in connection with a Contract from any other person beneficially interested in the Contract.

E. Exceptions to Prohibited Interests in Contracts:

1. An Officer shall not be deemed to be beneficially interested in a Contract if he or she has only a Remote Interest in the Contract and all of the applicable procedures specified in Sections 2 and 3 above have been followed.
2. An Officer shall not be deemed to be beneficially interested in any of the

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| Kennewick Public Hospital District | Page 5 of 11 |
| TITLE: Conflict of Interest Policy for Officers of the District | Implementation Date: 01/2015 Revised Date: 02/08, 01/15, 2026 |

Contracts listed below if all of the applicable procedures specified in Sections 2 and 3 above have been followed:

- a. The designation of public depositaries for District funds;
 - b. The publication of legal notices required by law to be published by the District, upon competitive bidding or at rates not higher than prescribed by law for members of the general public;
 - c. The employment of any person by a municipality for unskilled day labor at wages not exceeding \$1,000 in any calendar month.
 - d. The letting of any other contract in which the total amount received under the contract or contracts by the municipal officer or the municipal officer's business does not exceed \$3,000 in any calendar month.
 - e. The authorization, approval, or ratification of any employment contract with the spouse of a public hospital district commissioner if: (a) The spouse was employed by the public hospital district before the date the commissioner was initially elected; (b) the terms of the contract are commensurate with the pay plan or collective bargaining agreement operating in the district for similar employees; (c) the interest of the commissioner is disclosed to the board of commissioners and noted in the official minutes or similar records of the public hospital district prior to the letting or continuation of the contract; and (d) and the commissioner does not vote on the authorization, approval, or ratification of the contract or any conditions in the contract.
 - f. Such other Contracts as are specified in RCW 42.23.030 or other provisions of applicable law.
3. A municipal officer may not vote in the authorization, approval, or ratification of a contract in which he or she is beneficially interested even though one of the exemptions allowing the awarding of such a contract applies. The interest of the municipal officer must be disclosed to the governing body of the municipality and noted in the

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| Kennewick Public Hospital District | Page 6 of 11 |
| TITLE: Conflict of Interest Policy for Officers of the District | Implementation Date: 01/2015 Revised Date: 02/08, 01/15, 2026 |

official minutes or similar records of the municipality before the formation of the contract.

a.

- F. Supplemental Policies. The District may create additional policies supplementing this policy as needed on a case-by-case basis.
- G. Penalties. If any Officer has reasonable cause to believe that another Officer has failed to disclose an actual or possible Conflict of Interest, he or she shall inform the person of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose. If after listening to the response of the person, the Disinterested Officer determines that an Officer has failed to disclose an actual or possible conflict of interest or otherwise has violated this Policy, the matter shall be reported to the Board or the Superintendent, as appropriate, for such further investigation as may be warranted in the circumstances.
- H. If the Board or the Superintendent determines a failure to disclose an actual or possible conflict of interest or has violated this Policy, the Board or the Superintendent shall take appropriate corrective action. Any person who willfully violates this Conflict of Interest Policy may be guilty of a misdemeanor as provided by law. Furthermore, a person who negligently, knowingly, recklessly, intentionally, or otherwise unlawfully violates the Conflict of Interest Policy may also be subject to civil penalties, including but not limited to monetary damages and removal from office.

IV. IMPLEMENTATION AND TRAINING PLAN

- A. New and revised policies will be sent via email.

V. REFERENCE SECTION:

- A. References: Legal Counsel, WAC, RCW
- B. Supersedes: 2015
- C. Reviewed by: Board of Commissioners and Superintendent
- D. Approved by: Board of Commissioners

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|--|---------------------|--|--|--|--|
| Kennewick Public Hospital District | | Page 7 of 11 | | | |
| TITLE: Conflict of Interest Policy for Officers of the District | | Implementation Date: 02/2005 Revised Date: 02/08, 01/15, 2019, 2026 | | | |
| APPROVED: (Signed) <u>Signature on file</u> (Typed) Mark Brault, President Date: 2026 | Reviewed by: | Mark Brault | | | |
| | Date: | 2026 | | | |

**KENNEWICK PUBLIC HOSPITAL DISTRICT
 KENNEWICK, BENTON COUNTY, WASHINGTON
 BOARD OF COMMISSIONERS
 ANNUAL DECLARATION OF
 CONFLICT OF INTEREST**

I have read and understood the Conflict of Interest Policy for Officers of the District as presented by legal counsel and Management.

At this time, I am declaring a conflict in the following areas:

Signed

Dated

Please print name here.

RCW 42.23.030

Interest in contracts prohibited Exceptions.

No municipal officer shall be beneficially interested, directly or indirectly, in any contract which may be made by, through or under the supervision of such officer, in whole or in part, or which may be made for the benefit of his or her office, or accept, directly or indirectly, any compensation, gratuity or reward in connection with such contract from any other person beneficially interested therein. This section shall not apply in the following cases:

- (1) The furnishing of electrical, water or other utility services by a municipality engaged in the business of furnishing such services, at the same rates and on the same terms as are available to the public generally;
- (2) The designation of public depositaries for municipal funds;
- (3) The publication of legal notices required by law to be published by any municipality, upon competitive bidding or at rates not higher than prescribed by law for members of the general public;
- (4) The designation of a school director as clerk or as both clerk and purchasing agent of a school district;
- (5) The employment of any person by a municipality for unskilled day labor at wages not exceeding \$1,000 in any calendar month. The exception provided in this subsection does not apply to a county with a population of 125,000 or more, a city with a population of more than 1,500, an irrigation district encompassing more than 50,000 acres, or a first-class school district;
- (6)(a) The letting of any other contract in which the total amount received under the contract or contracts by the municipal officer or the municipal officer's business does not exceed \$3,000 in any calendar month.
 - (b) However, in the case of a particular officer of a second-class city or town, or a noncharter optional code city, or a member of any county fair board in a county which has not established a county purchasing department pursuant to RCW 36.32.240, the total amount of such contract or contracts authorized in this subsection (6) may exceed \$3,000 in any calendar month but shall not exceed \$36,000 in any calendar year.
 - (c)(i) In the case of a particular officer of a rural public hospital district, as defined in RCW 70.44.460, the total amount of such contract or contracts authorized in this subsection (6) may exceed \$1,500 in any calendar month, but shall not exceed \$24,000 in any calendar year.

(ii) At the beginning of each calendar year, beginning with the 2006 calendar year, the legislative authority of the rural public hospital district shall increase the calendar year limitation described in this subsection (6)(c) by an amount equal to the dollar amount for the previous calendar year multiplied by the change in the consumer price index as of the close of the 12-month period ending December 31st of that previous calendar year. If the new dollar amount established under this subsection is not a multiple of \$10, the increase shall be rounded to the next lowest multiple of \$10. As used in this subsection, "consumer price index" means the consumer price index compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used.

(d) The exceptions provided in this subsection (6) do not apply to:

(i) A sale or lease by the municipality as the seller or lessor;

(ii) The letting of any contract by a county with a population of 125,000 or more, a city with a population of 5,000 or more, or an irrigation district encompassing more than 50,000 acres; or

(iii) Contracts for legal services, except for reimbursement of expenditures.

(e) The municipality shall maintain a list of all contracts that are awarded under this subsection (6). The list must be made available for public inspection and copying;

(7) The leasing by a port district as lessor of port district property to a municipal officer or to a contracting party in which a municipal officer may be beneficially interested, if in addition to all other legal requirements, a board of three disinterested appraisers and the superior court in the county where the property is situated finds that all terms and conditions of such lease are fair to the port district and are in the public interest. The appraisers must be appointed from members of the American Institute of Real Estate Appraisers by the presiding judge of the superior court;

(8) The letting of any employment contract for the driving of a school bus in a second-class school district if the terms of such contract are commensurate with the pay plan or collective bargaining agreement operating in the district;

(9) The letting of an employment contract as a substitute teacher or substitute educational aide to an officer of a second-class school district that has 300 or fewer full-time equivalent students, if the terms of the contract are commensurate with the pay plan or collective bargaining agreement operating in the district and the board of directors has found, consistent with the written policy under RCW [28A.330.240](#), that there is a shortage of substitute teachers in the school district;

(10) The letting of any employment contract to the spouse of an officer of a school district, when such contract is solely for employment as a substitute teacher for the school district. This exception applies only if the terms of the contract are commensurate with the pay plan or collective bargaining agreement applicable to all district employees

and the board of directors has found, consistent with the written policy under RCW [28A.330.240](#), that there is a shortage of substitute teachers in the school district;

(11) The letting of any employment contract to the spouse of an officer of a school district if the spouse was under contract as a certificated or classified employee with the school district before the date in which the officer assumes office and the terms of the contract are commensurate with the pay plan or collective bargaining agreement operating in the district. However, in a second-class school district that has less than 200 full-time equivalent students enrolled at the start of the school year as defined in RCW [28A.150.203](#), the spouse is not required to be under contract as a certificated or classified employee before the date on which the officer assumes office;

(12) The authorization, approval, or ratification of any employment contract with the spouse of a public hospital district commissioner if: (a) The spouse was employed by the public hospital district before the date the commissioner was initially elected; (b) the terms of the contract are commensurate with the pay plan or collective bargaining agreement operating in the district for similar employees; (c) the interest of the commissioner is disclosed to the board of commissioners and noted in the official minutes or similar records of the public hospital district prior to the letting or continuation of the contract; and (d) and the commissioner does not vote on the authorization, approval, or ratification of the contract or any conditions in the contract.

A municipal officer may not vote in the authorization, approval, or ratification of a contract in which he or she is beneficially interested even though one of the exemptions allowing the awarding of such a contract applies. The interest of the municipal officer must be disclosed to the governing body of the municipality and noted in the official minutes or similar records of the municipality before the formation of the contract.

[[2023 c 153 s 1](#); [2020 c 69 s 1](#); [2007 c 298 s 1](#); [2006 c 121 s 1](#); [2005 c 114 s 1](#); [1999 c 261 s 2](#); [1997 c 98 s 1](#); [1996 c 246 s 1](#). Prior: [1994 c 81 s 77](#); [1994 c 20 s 1](#); [1993 c 308 s 1](#); [1991 c 363 s 120](#); [1990 c 33 s 573](#); [1989 c 263 s 1](#); [1983 1st ex.s. c 44 s 1](#); prior: [1980 c 39 s 1](#); [1979 exist. c 4 s 1](#); [1971 ex.s. c 242 s 1](#); [1961 c 268 s 4](#).]

NOTES:

Findings—Intent—1999 c 261: "The legislature finds that:

(1) The current statutes pertaining to municipal officers' beneficial interest in contracts are quite confusing and have resulted in some inadvertent violations of the law.

(2) The dollar thresholds for many of the exemptions have not been changed in over thirty-five years, and the restrictions apply to the total amount of the contract instead of the portion of the contract that pertains to the business operated by the municipal officer.

(3) The confusion existing over these current statutes discourages some municipalities from accessing some efficiencies available to them.

Therefore, it is the intent of the legislature to clarify the statutes pertaining to municipal officers and contracts and to enact reasonable protections against inappropriate conflicts of interest." [[1999 c 261 s 1.](#)]

Purpose—Captions not law—1991 c 363: See notes following RCW [2.32.180](#).

Purpose—Statutory references—Severability—1990 c 33: See RCW [28A.900.100](#) through [28A.900.102](#).

Severability—1989 c 263: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [[1989 c 263 s 3.](#)]

Severability—1980 c 39: "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [[1980 c 39 s 3.](#)]