



**Two Rivers**  
HEALTH DISTRICT

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KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners  
Packet**

**Thursday, July 25, 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, July 25, 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 June 27, 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 June 2024 financial statements\* – Overview by Erica Davis
  - b. Approval of the June 2024 payments and disbursements\*
  - c. Treasurer’s Report – Gary Long
  - d. 2023 Audit Status
2. Governance Committee Updates – Mark Brault
  - a. Motion authorizing Superintendent to sign Change Health settlement agreement\*
  - b. Resolution 2024-6 Updating Treasurer’s Bond Amount\*
  - c. Change in commissioner stipend approval process
3. Planning Committee – Wanda Briggs
  - a. Columbia Basin College (CBC) scholarship applicants\*
  - b. Community image efforts overview
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, August 29, 2024 @ 5:00pm

**Kennewick Public Hospital District**  
**Thursday, June 27, 2024 | Hybrid Meeting**  
**Trios Care Center at deBit – First Floor Conference Room**  
**320 W. 10<sup>th</sup> Ave., Kennewick, Washington, 99336**  
**5:00**  
**MINUTES**

**I. District Business:**

**A. Consent Agenda/Minutes**

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA. NO DISCUSSION. ALL IN FAVOR. MOTION CARRIED.

IT WAS MOVED AND SECONDED TO APPROVE THE MAY 2024 MINUTES. NO DISCUSSION. ALL IN FAVOR. MOTION CARRIED.

**B. Public Comment –**

**II. NEW BUSINESS:**

**A. Reports**

1. Lee Kerr – Superintendent, General Update  
Lee provided an update on the D&O application.  
Lee reported on the treasurer’s bond.  
Lee reported that Benton County is moving forward with the proposed recovery center. He reported on discussions around behavioral health and substance abuse recovery patients. A sobering center is reportedly in the works and a mobile response unit. The District is pleased to see this moving forward, and a groundbreaking is reportedly planned for fall of this year.  
There is no known specific role for Franklin County or the District.  
Lee reported on the RPA compliance efforts.  
Lee reported that Benton County approved our waiver of participation in the voter’s pamphlet which will reduce our costs substantially. We asked for a waiver for this year, but it was granted beginning January 2025 and is good for two years.  
We will be moving our District offices and meetings starting in July.
2. Legal Report - Heidi Ellerd, Legal Counsel
  - a. Records Requests (updates) – Following up on Spencer Harris’ oath of office – the form will be filed appropriately.
3. Administrative Report, Salem Thompson, Board Coordinator
  - a. The office move will happen in July.

**B. Committee Reports/Recommendations.**

1. Finance Committee – Gary Long
  - a. Acceptance of the May 2024 financial statements – Overview by Erica Davis  
IT WAS MOVED AND SECONDED TO APPROVE THE MAY 2024 FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
  - b. Approval of the May 2024 payments and disbursements  
IT WAS MOVED AND SECONDED TO APPROVE THE MAY 2024 PAYMENTS AND DISBURSEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
  - c. Treasurer’s Report – Gary Long – Gary reported on the following items:
  - d. 2023 Audit Status – We are very close to completion of the audit. Some information from Trios is needed to provide to Eide Bailly. Coordinated efforts

have been made to supply the information Eide Bailly has requested.

2. Governance Committee Updates – Mark Brault
  - a. Resolution 2024-5 Moving Regular Meeting location  
IT WAS MOVED AND SECONDED TO APPROVE RESOLUTION 2024-5 MOVING THE REGULAR MEETING LOCATION FOR THE KENNEWICK PUBLIC HOSPITAL DISTRICT. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
3. Planning Committee – Wanda Briggs
  - a. Community image efforts overview – The proposed date for a board retreat is Tuesday, September 10<sup>th</sup> 2024. The tentative time is 9am – 2pm. Location to be determined.
4. Adult Day Services – General Update: Rick Reil/Spencer Harris

**III. COMMISSIONER COMMENTS**

**IV. Upcoming items – NONE**

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

Adjourned 5:38 pm

Next Regularly Scheduled Board Meeting – Thursday, July 25, 2024 @ 5:00pm

# Management Reports

Kennewick Public Hospital District  
For the period ended June 30, 2024

Prepared by  
Guardian Financial Group

Prepared on  
July 9, 2024

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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 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

June 2024

	Jun 2024	Jan - Jun, 2024 (YTD)	Total
<b>REVENUE</b>			
100 Property Tax Revenue	5,885.14		946,283.19
110 Grant Income	5,000.00		10,000.00
<b>Total Revenue</b>	<b>10,885.14</b>		<b>956,283.19</b>
<b>COST OF GOODS SOLD</b>			
200 Community Care Agreement	4,708.11		757,026.55
<b>Total Cost of Goods Sold</b>	<b>4,708.11</b>		<b>757,026.55</b>
<b>GROSS PROFIT</b>	<b>6,177.03</b>		<b>199,256.64</b>
<b>EXPENDITURES</b>			
303 Scholarship Contributions			4,190.40
305 Bank Fees	341.10		2,163.37
315 Commissioner Mtg Stipend	3,959.00		15,700.00
320 Facilities Expense			
323 Utilities	81.08		301.08
<b>Total 320 Facilities Expense</b>	<b>81.08</b>		<b>301.08</b>
326 Insurance			713.50
330 Legal and Professional			
331 Attorney Fees	1,593.82		6,352.54
332 Accounting	1,730.00		10,380.00
333 Audit Expense			12,301.36
335 Administrative Support	2,500.00		15,000.00
336 Other Professional Fees	953.30		5,683.96
<b>Total 330 Legal and Professional</b>	<b>6,777.12</b>		<b>49,717.86</b>
340 Office Expenses	431.85		2,639.59
342 Public Records Request	1,055.00		6,720.00
343 Records Management	8,408.40		11,358.40
360 Superintendent Compensation	3,300.00		19,800.00
<b>Total Expenditures</b>	<b>24,353.55</b>		<b>113,304.20</b>
<b>NET OPERATING REVENUE</b>	<b>-18,176.52</b>		<b>85,952.44</b>
<b>OTHER REVENUE</b>			
900 Richmond Trust Income	731.38		7,469.46
950 Worker's Comp Reimbursements	48,932.82		160,113.84
960 Interest and Dividend Income	6,670.63		29,953.54
<b>Total Other Revenue</b>	<b>56,334.83</b>		<b>197,536.84</b>
<b>OTHER EXPENDITURES</b>			
800 Workers Comp Claims Paid	49,666.93		158,329.58
810 Interest Expense			2,262.39
<b>Total Other Expenditures</b>	<b>49,666.93</b>		<b>160,591.97</b>



		Total
	Jun 2024	Jan - Jun, 2024 (YTD)
NET OTHER REVENUE	6,667.90	36,944.87
NET REVENUE	\$ -11,508.62	\$122,897.31

# Statement of Financial Position

As of June 30, 2024

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 US Bank Checking 4037	229,834.53
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1040 Key Bank Worker's Comp	7,983.37
1050 Cash Equivalents	
1055 Local Government Investment Pool	1,503,433.15
<b>Total 1050 Cash Equivalents</b>	<b>1,503,433.15</b>
<b>Total Bank Accounts</b>	<b>1,743,351.05</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>1,744,056.05</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>\$2,326,328.34</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2020 Accounts Payable	641,030.09
2021 AP - ADS	3,240.00
<b>Total Accounts Payable</b>	<b>644,270.09</b>
<b>Credit Cards</b>	
2024 U.S. Bank CC (4195)	512.93
<b>Total Credit Cards</b>	<b>512.93</b>
<b>Total Current Liabilities</b>	<b>644,783.02</b>
<b>Long-Term Liabilities</b>	
2100 Loan from ADS	52,562.96
<b>Total Long-Term Liabilities</b>	<b>52,562.96</b>
<b>Total Liabilities</b>	<b>697,345.98</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	122,897.31

	<b>Total</b>
<b>Total Equity</b>	<b>1,628,982.36</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,326,328.34</b>

# Statement of Cash Flows - Last Month

June 2024

	Total
<b>OPERATING ACTIVITIES</b>	
Net Revenue	-11,508.62
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	4,606.86
2024 U.S. Bank CC (4195)	288.48
<b>Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:</b>	<b>4,895.34</b>
<b>Net cash provided by operating activities</b>	<b>-6,613.28</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>-6,613.28</b>
Cash at beginning of period	1,749,964.33
<b>CASH AT END OF PERIOD</b>	<b>\$1,743,351.05</b>

# Check Detail

June 2024

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
<b>1010 US Bank Checking 4037</b>						
06/03/2024	Expenditure		U.S.Bank CC (4195)	ACH Debit(s)	R	-224.45
				Credit Card Payment		-224.45
06/07/2024	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s)	R	-10,001.00
				M. Brault, W. Briggs, S. Dunlop, M. Kinney, G. Long		3,476.00
				L. Kerr		3,300.00
				D. Clark		725.00
				S. Snowdy		2,500.00
06/12/2024	Expenditure		Rick Reil	ACH Debit(s)	R	-483.00
				Commissioner Compensation		483.00
06/14/2024	Expenditure		US Bank	Bank Fees	R	-61.81
				Bank Fees		61.81
06/17/2024	Bill Payment (Check)	1722	Ellerd, Hultgrenn & Dahlhauser, LLP	Legal Services - \$1,593.82 Records Requests - \$1,055.00	R	-2,648.82
						-2,648.82
06/17/2024	Bill Payment (Check)	1723	Advantage IT	Computer Support	R	-953.30
						-953.30
06/17/2024	Bill Payment (Check)	1724	ColumbiaSoft Corporation	Annual Records Management	R	-7,529.65

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
						-7,529.65
06/17/2024	Expenditure		Epic Tax Solutions	ACH Debit(s)	R	-1,730.00
				Accounting		1,730.00
06/19/2024	Bill Payment (Check)	1725	CNA Surety Direct Bill	Surety Bond	R	-255.00
						-255.00
<b>1040 Key Bank Worker's Comp</b>						
06/30/2024	Expenditure		Workers Comp		R	-49,666.93
				Workers Comp Claims Paid		49,666.93
06/30/2024	Expenditure		KeyBank		R	-274.57
				Bank Fees		274.57

# Contractor Payment Register Report

## Kennewick Public Hospital District



Pay Period From 05/01/2024 to 05/31/2024, Pay Date: 06/10/2024, Payment # 8

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
9	Mark C Brault	1,449.00	0.00	0.00	0.00	0.00		0.00	1,449.00	
2	Wanda Briggs	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
11	Debra L Clark	725.00	0.00	0.00	0.00	0.00		0.00	725.00	
12	Sheila K Dunlop	256.00	0.00	0.00	0.00	0.00		0.00	256.00	
3	Leland Kerr	3,300.00	0.00	0.00	0.00	0.00		0.00	3,300.00	
4	Marv Kinney	644.00	0.00	0.00	0.00	0.00		0.00	644.00	
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 :		10,001.00	0.00	0.00	0.00	0.00	0.00	0.00	10,001.00	

# Contractor Payment Register Report

## Kennewick Public Hospital District



Pay Period From 05/01/2024 to 05/31/2024, Pay Date: 06/13/2024, Payment # 10

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
7	Rick Reil	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
Payment Totals :		483.00	0.00	0.00	0.00	0.00	0.00	0.00	483.00	



# Kennewick Public Hospital District

## Transaction Report - US Bank Credit Card

June 2024

DATE	TRANSACTION TYPE	NAME	BALANCE
U.S. Bank CC (4195)			
	Beginning Balance		224.45
06/03/2024	Credit Card Expenditure	Bettendorfs Printing	347.93
06/03/2024	Expenditure	U.S.Bank CC (4195)	123.48
06/04/2024	Credit Card Expenditure	Spectrum	178.48
06/04/2024	Credit Card Expenditure	Adobe	200.21
06/20/2024	Credit Card Expenditure	Microsoft Edge	376.85
06/20/2024	Credit Card Expenditure	Microsoft Office	402.93
06/27/2024	Credit Card Expenditure	Spectrum	512.93
<hr/>			
TOTAL			
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**KENNEWICK PUBLIC HOSPITAL DISTRICT  
BENTON COUNTY, WASHINGTON  
RESOLUTION NO. 2024-6**

**A Resolution removing Kennewick Public Hospital District's  
(KPHD) current Treasurer, Steve Blodgett, and appointing  
Gary Long, Commissioner, as the District's Treasurer and  
replacing Resolution 2024-4**

**WHEREAS**, Kennewick Public Hospital District (the "District") is a public hospital district organized and existing pursuant to the provisions of RCW Chapter 70.44; and

**WHEREAS**, RCW 70.44.171 authorizes the Board of the Commissioners of the District to appoint its own Treasurer; and

**WHEREAS**, the Board of Commissioners of the District adopted Resolution 2024-4 removing Steve Blodgett as Treasurer, appointing Gary Long as the new Treasurer, and setting the amount of the bond, and now desire to amend and replace Resolution 2024-4; and

**WHEREAS**, Steve Blodgett currently serves as the Treasurer for the District, but will be removed effective February 29, 2024, and

**WHEREAS**, RCW 70.44.171 requires that all District funds be paid to the Treasurer and disbursed by him only on warrants issued by an Auditor appointed by the Board of Commissioners;

**NOW, THEREFORE**, be it resolved by the District's Board of Commissioners as follows:

**SECTION 1.** Resolution 2024-4 is hereby amended and replaced in its entirety by this Resolution 2024-6.

**SECTION 2.** Steve Blodgett is hereby removed as the Treasurer for the District effective February 29, 2024, and Gary Long, Commissioner, is hereby appointed as the Treasurer for the District effective February 29, 2024. As Treasurer for the District, Mr. Long is directed to keep all monies belonging to the District in such accounts designated by him until disbursed according to law, and that until disbursement, he is granted authority to invest such funds and to carry out all the duties of the Treasurer required by applicable law.

**SECTION 3.** The Superintendent for the District is directed to secure and maintain in force at all times a fidelity bond insuring the faithful performance of the Treasurer for the

District in an amount not less than \$5,000.00, said bond to be issued by a surety company authorized to do business in the State of Washington and the premium on such bond shall be paid by District.

**ADOPTED AND APPROVED** by the Commissioners of Kennewick Public Hospital District, Benton County, Washington, at a regular public meeting thereof this 25th day of July, 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, Treasurer & Commissioner