



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Regular Meeting Packet
Thursday, Sept. 25, 2025
Hybrid Meeting
5:00 pm**

via Zoom and in person at:

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

Kennewick Public Hospital District
Kennewick, Benton County, Washington

Consent Agenda
Sept. 25, 2025

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

1. Approval of Minutes:
Meeting Minutes, August 28, 2025

Kennewick Public Hospital District
Thursday, September 25, 2025 | Hybrid Meeting
5:00 PM
AGENDA

I. District Business:

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

II. NEW BUSINESS:

A. Reports

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

B. Committee Reports/Recommendations

- 1. Finance Committee – Gary Long/Erica Davis
 - a. Overview of August 2025 Financials – Erica Davis
 - b. Acceptance of August 2025 Financial statements*
 - c. Approval of August 2025 payments and disbursements*
 - d. Treasurer’s Report – Gary Long – 2026 budget development
- 2. Governance Committee Updates – Mark Brault
 - a. General update
 - b. Community Health Needs Assessment
- 3. Planning Committee – Wanda Briggs
 - a. General update
- 4. Adult Day Services – Rick Reil/Spencer Harris/Wanda Briggs
 - a. General update

III. COMMISSIONER COMMENTS

IV. Upcoming items – NONE

V. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, October. 30, 2025 @ 5:00 p.m.

Close of Meeting

**Indicates potential board action.*

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

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

I. District Business:

A. Approval of Consent Agenda

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA INCLUDING THE JULY 2025 MINUTES. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

B. Declare any known or perceived Conflicts Of Interest with agenda items – None declared.

C. Public Comment – NONE

II. NEW BUSINESS:

A. Reports

1. Lee Kerr – Superintendent, General Update –
Lee reported on meetings attended for the recovery center, and noted a potential opening early 2026.
Spencer asked about staffing needs at the recovery center. Lee reported hearing Comprehensive would be starting to hire staff this fall. CBC has opened a behavioral health certificate track which will be helpful in building a workforce for the center.
Wanda asked if Lourdes would have a role at the recovery center or in partnership. Status of Lourdes involvement is unknown currently.
2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Updates – Records Requests – Nothing new to report.
Budget hearing will need to take place at the October meeting to ensure meeting required timelines. Heidi will prepare the levy calculation when it becomes available. The draft budget is required by October 15th to ensure it is available on the date of first publication.

Gary will coordinate meetings to develop the budget draft.
Erica was asked to provide information on the Richmond Trust and to assist with the budget draft preparation.
3. Administrative Report, Salem Thompson, Board Coordinator
– Nothing new to report.

B. Committee Reports/Recommendations

1. Finance Committee – Gary Long/Erica Davis
 - a. Overview of July 2025 Financials – Erica Davis
 - b. Acceptance of July 2025 Financial statements

IT WAS MOVED AND SECONDED TO APPROVE THE JULY 2025 FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

- c. Approval of July 2025 payments and disbursements

IT WAS MOVED AND SECONDED TO APPROVE THE JULY 2025 PAYMENTS AND DISBURSEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

d. Treasurer's Report – Gary Long

2. Governance Committee Updates – Mark Brault

- a. General update – Mark mentioned a local physician had new book out, From Bedlam to Bedside which was enjoyable.
Mark discussed Trios' publicly available financial information required by the Department of Health. A discussion followed.

3. Planning Committee – Wanda Briggs

- a. General update – Meetings with both CBC and WSU are scheduled for next month with a goal of determining needs for scholarship and types of degrees and programs in health care and allied services. There will be upcoming scholarship recognition events, details will follow when available.

4. Adult Day Services – Rick Reil/Spencer Harris/Wanda Briggs

- a. General update – Work continues to progress on the financial reports. Census is good and no other items to report at this time.

III. EXECUTIVE SESSION: RCW 42.30.110(1)(i) Potential Litigation

At 5:43 pm, an executive session was called for 15 minutes, with no action expected to be taken.

Members of the public in attendance on Zoom were placed in the Zoom waiting room.

At 5:58pm, the session was opened, and members of the public in the Zoom waiting room were admitted back to the meeting.

IV. COMMISSIONER COMMENTS

V. Upcoming items – NONE

VI. BOARD MEETINGS/EVENTS/EDUCATION

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

Close of Meeting 6:07pm

Management Reports

Kennewick Public Hospital District

For the period ended August 31, 2025

Prepared by

GFG Accounting Services

Prepared on

September 8, 2025

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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

August 2025

		Total
	Aug 2025	Jan - Aug, 2025 (YTD)
REVENUE		
100 Property Tax Revenue	8,306.52	994,802.92
Total Revenue	8,306.52	994,802.92
COST OF GOODS SOLD		
200 Community Care Agreement	6,645.22	795,842.34
Total Cost of Goods Sold	6,645.22	795,842.34
GROSS PROFIT	1,661.30	198,960.58
EXPENDITURES		
303 Scholarship Contributions	4,190.40	4,190.40
305 Bank Fees	93.96	1,685.99
315 Commissioner Mtg Stipend	3,381.00	24,472.00
320 Facilities Expense		
322 Rent Expense		499.68
323 Utilities	55.00	440.00
Total 320 Facilities Expense	55.00	939.68
326 Insurance	53.90	13,251.35
330 Legal and Professional		
331 Attorney Fees	387.50	4,256.08
332 Accounting	1,796.75	13,973.50
333 Audit Expense		15,634.84
335 Administrative Support	2,500.00	20,000.00
336 Other Professional Fees	895.42	7,157.62
Total 330 Legal and Professional	5,579.67	61,022.04
339 Licenses and Taxes		25.00
340 Office Expenses	287.56	3,489.00
342 Public Records Request	1,901.23	10,785.31
343 Records Management	525.00	12,193.81
345 Other Operating Expenses		147.14
347 Public Election Costs		14,828.42
360 Superintendent Compensation	3,300.00	26,400.00
VOID		0.00
Total Expenditures	19,367.72	173,430.14
NET OPERATING REVENUE	-17,706.42	25,530.44
OTHER REVENUE		
900 Richmond Trust Income		16,806.00
940 Unreal. Gain (Loss) Investments		39,257.63
950 Worker's Comp Reimbursements		84,455.76

	Total	
	Aug 2025	Jan - Aug, 2025 (YTD)
960 Interest and Dividend Income	4,391.34	38,991.16
Total Other Revenue	4,391.34	179,510.55
OTHER EXPENDITURES		
800 Workers Comp Claims Paid		90,844.98
810 Interest Expense		1,132.43
Total Other Expenditures	0.00	91,977.41
NET OTHER REVENUE	4,391.34	87,533.14
NET REVENUE	\$ -13,315.08	\$113,063.58

Statement of Financial Position

As of August 31, 2025

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	93,385.15
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1050 Cash Equivalents	
1055 Local Government Investment Pool	583,909.31
1056 LGIP-Restricted Funds Insurance	500,000.00
Total 1055 Local Government Investment Pool	1,083,909.31
Total 1050 Cash Equivalents	1,083,909.31
Total Bank Accounts	1,179,394.46
Other Current Assets	
1105 Tax Receivable	705.00
Total Other Current Assets	705.00
Total Current Assets	1,180,099.46
Other Assets	
2001 Richmond Trust (Restricted)	636,337.28
Total Other Assets	636,337.28
TOTAL ASSETS	\$1,816,436.74

LIABILITIES AND EQUITY

Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	11,317.32
Total Accounts Payable	11,317.32
Credit Cards	
2024 U.S. Bank CC (4195)	342.56
Total Credit Cards	342.56
Other Current Liabilities	
2021.50 Current Portion ADS Loan Payable	3,570.58
Total Other Current Liabilities	3,570.58
Total Current Liabilities	15,230.46
Total Liabilities	15,230.46
Equity	
3200 Net Position	777,417.95
3210 Restricted - Expendable	341,000.00
3220 Restricted - Expendable Richmond Trust	569,724.75
Net Revenue	113,063.58

	Total
Total Equity	1,801,206.28
TOTAL LIABILITIES AND EQUITY	\$1,816,436.74

Statement of Cash Flows - Last Month

August 2025

	Total
OPERATING ACTIVITIES	
Net Revenue	-13,315.08
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	-654,609.46
2024 U.S. Bank CC (4195)	83.02
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	-654,526.44
Net cash provided by operating activities	-667,841.52
NET CASH INCREASE FOR PERIOD	-667,841.52
Cash at beginning of period	1,847,235.98
CASH AT END OF PERIOD	\$1,179,394.46

Check Detail

August 2025

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
1010 US Bank Checking 4037					
08/04/2025	Expenditure	U.S.Bank CC (4195)	ACH Debit(s)	R	-259.54
			ACH Debit(s)		-259.54
08/04/2025	Expenditure	Mutual of Enumclaw	ACH Debit(s)	R	-53.90
			ACH Debit(s)		53.90
08/06/2025	Bill Payment (Check)	1786 Advantage IT		R	-895.42
					-895.42
08/06/2025	Bill Payment (Check)	1785 Ellerd, Hultgrenn & Dahlhauser, LLP		R	-4,481.23
					-4,481.23
08/06/2025	Bill Payment (Check)	1784 Department of Labor and Industries		R	-25.00
					-25.00
08/06/2025	Bill Payment (Check)	1783 Trios Health - V		C	-659,037.18

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
					-659,037.18
08/07/2025	Expenditure	EFT Payments (See Detailed List)	ACH Debit(s)	R	-9,706.00
			W. Briggs, M. Brault, S. Harris, M. Kinney, G. Long, R. Reil		3,381.00
			S. Snowdy		2,500.00
			L. Kerr		3,300.00
			D. Clark		525.00
08/14/2025	Expenditure	US Bank	Miscellaneous Fee(s)	R	-87.75
			Miscellaneous Fee(s)		87.75
08/18/2025	Expenditure	Guardian Financial Group	ACH Debit(s)	R	-1,796.75
			ACH Debit(s)		1,796.75
08/20/2025	Bill Payment (Check)	Washington State University Tri- 1787 Cities			-4,190.40
					-4,190.40

Kennewick Public Hospital District

Transaction Report - US Bank Credit Card

August 2025

DATE	TRANSACTION TYPE	NAME	ACCOUNT	AMOUNT	BALANCE
U.S. Bank CC (4195)					
Beginning Balance					259.54
08/01/2025	Credit Card Expenditure	FedEx Office	2024 U.S. Bank CC (4195)	58.88	318.42
08/04/2025	Credit Card Expenditure	Adobe	2024 U.S. Bank CC (4195)	21.75	340.17
08/04/2025	Expenditure	U.S.Bank CC (4195)	2024 U.S. Bank CC (4195)	-259.54	80.63
08/18/2025	Credit Card Expenditure	Microsoft Office	2024 U.S. Bank CC (4195)	163.20	243.83
08/19/2025	Credit Card Expenditure	Microsoft Edge	2024 U.S. Bank CC (4195)	19.59	263.42
08/25/2025	Credit Card Expenditure	Spectrum	2024 U.S. Bank CC (4195)	55.00	318.42
08/26/2025	Credit Card Expenditure	GoDaddy.com, LLC	2024 U.S. Bank CC (4195)	24.14	342.56
Total for U.S. Bank CC (4195)				\$83.02	
TOTAL				\$83.02	

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 07/01/2025 to 07/31/2025, Pay Date: 08/08/2025, Payment # 12

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
9	Mark C Brault	644.00	0.00	0.00	0.00	0.00		0.00	644.00	
2	Wanda Briggs	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
11	Debra L Clark	525.00	0.00	0.00	0.00	0.00		0.00	525.00	
13	Spencer D Harris	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
3	Leland Kerr	3,300.00	0.00	0.00	0.00	0.00		0.00	3,300.00	
4	Marv Kinney	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	
7	Rick Reil	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
8	Salem Snowdy	2,500.00	0.00	0.00	0.00	0.00		0.00	2,500.00	
Payment Totals :		9,706.00	0.00	0.00	0.00	0.00	0.00	0.00	9,706.00	