

# MODIFICATION REQUEST COVER SHEET

<b>Name of Filer</b>	<b>GORDON HESTER</b>
<b>Reporting Period</b>	<input type="checkbox"/> Annual report <input checked="" type="checkbox"/> Candidate report – May 15, 2018 to May 15, 2019
<b>Type of Request</b>	<input checked="" type="checkbox"/> New <input type="checkbox"/> Renewal with No Change <input type="checkbox"/> Full Commission Approval <input type="checkbox"/> Renewal with Change
<b>Office Held/Sought &amp; Term</b>	Fire Commissioner, Spokane Fire Protection District 10 If elected, term would begin January 2020
<b>Application Rule(s)</b>	<input checked="" type="checkbox"/> Income & Ownership Interest: <a href="#">WAC 390-28-100(b)</a> <input type="checkbox"/> Personal Residence: WAC 390-28-100(d) <input type="checkbox"/> Attorney: WAC 390-28-100(1)(e)(i) <input type="checkbox"/> Judge / Judicial Candidate: WAC 390-28-100(1)(e)(ii) <input type="checkbox"/> Spousal: WAC 390-28-100(1)(e)(iv) <input type="checkbox"/> Other: WAC 390-28-100(1)(a)(c)
<b>Explanation of Rule(s)</b>	<p><b>Income and ownership interests.</b> An applicant may be exempted from reporting the information otherwise required by RCW <a href="#">42.17A.710</a> (1)(f) and (g), if:</p> <p>(i) Public disclosure would violate any legally recognized confidential relationship;</p> <p>(ii) The information does not relate to a business entity which would be subject to the regulatory authority of the office sought or held by the applicant in whole or in part;</p> <p>(iii) Such reporting would present a manifestly unreasonable hardship to the applicant including but not limited to adversely affecting the competitive position of an entity in which the applicant had an interest of ten percent or more as described in RCW <a href="#">42.17A.120</a>; and</p> <p>(iv) The interest in question would present no actual or potential conflict with the performance of the duties of the office sought or held.</p>
<b>Supporting Documents (attached)</b>	<input checked="" type="checkbox"/> Current F-1 (filed May 16, 2019) <input checked="" type="checkbox"/> Modification Application <input type="checkbox"/> Prior order (if renewal)
<b>Reason(s) for Modification (as stated by filer)</b>	<ul style="list-style-type: none"> <li>• Mr. Hester is requesting a reporting modification that would exempt him from disclosing the business customers that paid \$12,000, during the previous 12 months, to Kiemle &amp; Hagood Company, and KH Facility Services, which is a wholly owned subsidiary of Kiemle &amp; Hagood Company.</li> <li>• Kiemle &amp; Hagood Company and KH Facility Services have approximately 185 employees with offices in Spokane and Kennewick, Washington, Coeur d'Alene, Idaho and Missoula, Montana.</li> <li>• Mr. Hester stated that income generated by Kiemle &amp; Hagood Company, a privately owned and operated entity, is from the management and leasing activity that it does on behalf of its customers, the majority of which are business entities. He stated that the income generated by KH Facility Services is from the same business customers.</li> </ul>

- Mr. Hester stated that the annual sales for Kiemle & Hagood Company is approximately \$11 million and the annual income for KH Facility Services, which is generated through the same customer base, is approximately \$3 million. He stated that there are approximately 500 management customers and approximately 1,200 sales and leasing customers.
- Mr. Hester stated that Kiemle & Hagood Company has hundreds of business customers paying monthly and annually and that it would be costly and time consuming to create a list of reportable customers. In addition, he stated that the company competes all over Eastern Washington and that disclosing its large business customers paying over \$12,000 annually would make its proprietary customer list public knowledge and give its competitors an advantage when looking to access those customers to pitch their own services.
- Mr. Hester confirmed that Kiemle & Hagood Company and KH Facility Services receive no income of any type from Spokane Fire Protection District 10.
- Mr. Hester stated that the entities manage on building for the Washington State Department of Ecology, but the fees do not reach the \$12,000 threshold for disclosure.
- Mr. Hester stated that he is a partner in Kiemle & Hagood Company and in KH Facility Services with a 30 percent ownership interest.
- Mr. Hester stated that Kiemle & Hagood Company and KH Facility Services does no business with the fire district he is running in and that since the entities own no real estate there would never be a conflict of fire code enforcement within the boundaries of the district. In addition, he stated that he owns no personal real estate within the boundaries of the fire district other than his primary residence which has been disclosed on his F-1.

**Other Issues**

Mr. Hester has agreed to recuse himself if a matter came before him involving a conflict of interest between Kiemle & Hagood Company or KH Facility Services and Spokane Fire Protection District 10.