

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS
Board of Managers - Special Meeting
Tuesday, April 11, 2023 at 9:00 AM**

AGENDA

1. WELCOME

2. ROLL CALL OF BOARD OF MANAGERS

- John E. Valls, MBA, Chairman
- Vishnu V. Reddy, M.D., Vice Chairman
- Sylvia Tryon Oliver
- Belinda Flores, R.N.
- Judge Mariana Garza
- Efrain Guerrero, Jr.
- Arthur Granado

3. CALL TO ORDER, ESTABLISHMENT OF QUORUM, MEETING POSTING CONFIRMATION, AND CLOSED MEETING NOTICE

A. Call to order.

B. Establish quorum.

C. Confirm posting of Meeting's public notice in accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551.

D. Public notice is hereby given that the Board of Managers may elect to go into Closed Meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551.

4. ANNOUNCEMENT ON DISCLOSURE OF CONFLICTS OF INTEREST. Any Conflicts of Interest or Appearance of a Conflict of Interest with items on this agenda shall be declared at this time. Members with conflicts will refrain from voting and are asked to refrain from discussion on such items. Conflicts discovered later in the meeting shall be disclosed at that time.

5. PUBLIC COMMENT - Persons attending in-person and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must sign-in on the "Agenda Item Request to Speak" form provided at the entrance of the Board meeting room at least five (5) minutes prior to commencement of the meeting. Persons attending via audio or video conference and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must verbally notify the presiding officer of their desire to

comment when the officer calls for public comment from those attending via audio and video conference. Commenters shall limit their comments to three (3) minutes, except that Commenters addressing the Board through a translator shall limit their comments to six (6) minutes.

6. **REGULAR AGENDA** - The Regular Agenda consists of those agenda items which are non-routine, not administrative in nature, or otherwise in need of separate attention. Each Regular Agenda item will be voted upon separately if action is required:

A. Legislation:

1. Receive information on 88th Texas Session Legislative Agenda, as amended. (*INFORMATION*)
2. Receive information on select Bills filed in the 88th Texas Session relating to or affecting the Hospital District. (*INFORMATION*)
3. Discuss and consider authorizing the Administrator to negotiate and execute agreements with Joel Romo and Patricia Shipton for legislative consulting services on Hospital District-related matters during the 88th Texas Legislative Session. (*ACTION*)

B. Financing Improvements to Former Memorial Hospital Campus:

1. Discuss and consider adopting schedule relating to Hospital District's issuance and sale of Certificates of Obligation, Series 2023 for improvements to the former Memorial Hospital campus located at 2606 Hospital Boulevard, Corpus Christi, Texas, including expansion of the Dr. Hector P. Garcia Memorial Family Health Center and construction of new clinical and administrative/support facilities. (*ACTION*) 5
2. Discuss and consider approving a Board of Managers Resolution adopting a plan of finance relating to the design, construction, and acquisition of Hospital District facilities; authorizing District staff, consultants, and advisors to proceed with plan of finance implementation; requesting that the Nueces County Commissioners Court adopt a Notice of Intention to Issue Certificates of Obligation on behalf of the District to fund the proposed plan of finance; and other matters necessary and incident to the foregoing; and authorize Administrator to prepare, execute, file, and submit supporting documents, and instruments. (*ACTION*) 18

C. Other Business:

1. Discuss and consider additional and/or alternative methods of financing improvements to the former Memorial Hospital campus located at 2606 Hospital

Boulevard, Corpus Christi, Texas, including expansion of the Dr. Hector P. Garcia Memorial Family Health Center and construction of new clinical and administrative/support facilities; authorize Administrator to evaluate use of the American Rescue Plan Act of 2021 (ARPA) for funding the campus improvements; and authorize Administrator to reallocate unused funds from Services Contract with Hagerty Consulting, as amended, to fund evaluation of the ARPA funding source. **(ACTION)**

2. Discuss and consider authorizing the Administrator to negotiate and execute an agreement with private legal counsel to represent the Hospital District on legal matters; engagement pursuant to Texas Health and Safety Code, §281.056(b). **(ACTION)**

D. ADMINISTRATOR'S BRIEFING:

1. Special Board of Managers meeting relating to issuance and sale of Certificates of Obligation, Series 2023 to finance improvements to the former Memorial Hospital campus located at 2606 Hospital Boulevard, Corpus Christi, Texas:

a. Board of Managers: Tuesday, June 20, 2023 at 3:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. **(INFORMATION)**

E. CLOSED MEETING - Public Notice is hereby given that the Board of Managers may go into closed meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda, when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551. *To the extent there has been a past practice of distinguishing items for public deliberation and those for executive session, the public is advised that the Board is departing from that practice and reserves the right to discuss any listed agenda items in a closed meeting when authorized by law to do so.* When the Board goes into closed session(s) regarding an agenda item(s), the section(s) of the Open Meetings Act authorizing the closed session will be publicly announced by the presiding officer. Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in closed session(s), then the final action, final decision, or final vote shall be either: (a) in the open meeting covered by the Notice upon reconvening of the public meeting; or (b) at a subsequent public meeting of the Board upon notice thereof, as the Board shall determine pursuant to applicable laws. The Board specifically expects to go into a closed session(s) on the matters listed below pursuant to the Act, §551.071 and §551.072, as applicable.

1. Consult with attorneys and deliberate matters relating to Hospital District-leased real property located 555 North Carancahua Street, Corpus Christi, Texas 78401, pursuant to Open Meetings Act, Texas Government Code, §551.071 and §551.072.

2. Consult with attorneys and deliberate matters relating to Hospital District-owned real property located at 14202 Padre Island Drive South, Corpus Christi, Texas 78418; property legally described as Padre Island Section 18, Lot 5, Block 4 additionally described at Nueces County Appraisal District Property ID: 200088739; pursuant to Open Meetings Act, Texas Government Code, §551.071 and §551.072.

F. OPEN MEETING - Following the Closed Meeting, the Board of Managers will reconvene the Open Meeting prior to taking any action(s) on matters considered in the Closed Meeting or adjourning the meeting.

1. Discuss and consider leasing administrative office space from ERF Tower II Incorporated at 555 North Carancahua Street, Corpus Christi, Texas 78401; and authorize the Administrator to execute related documents. (***ACTION***)

2. Discuss and consider final action, decision, or vote on other matters considered in Closed Meeting. (***ACTION AS NEEDED***)

7. ADJOURN

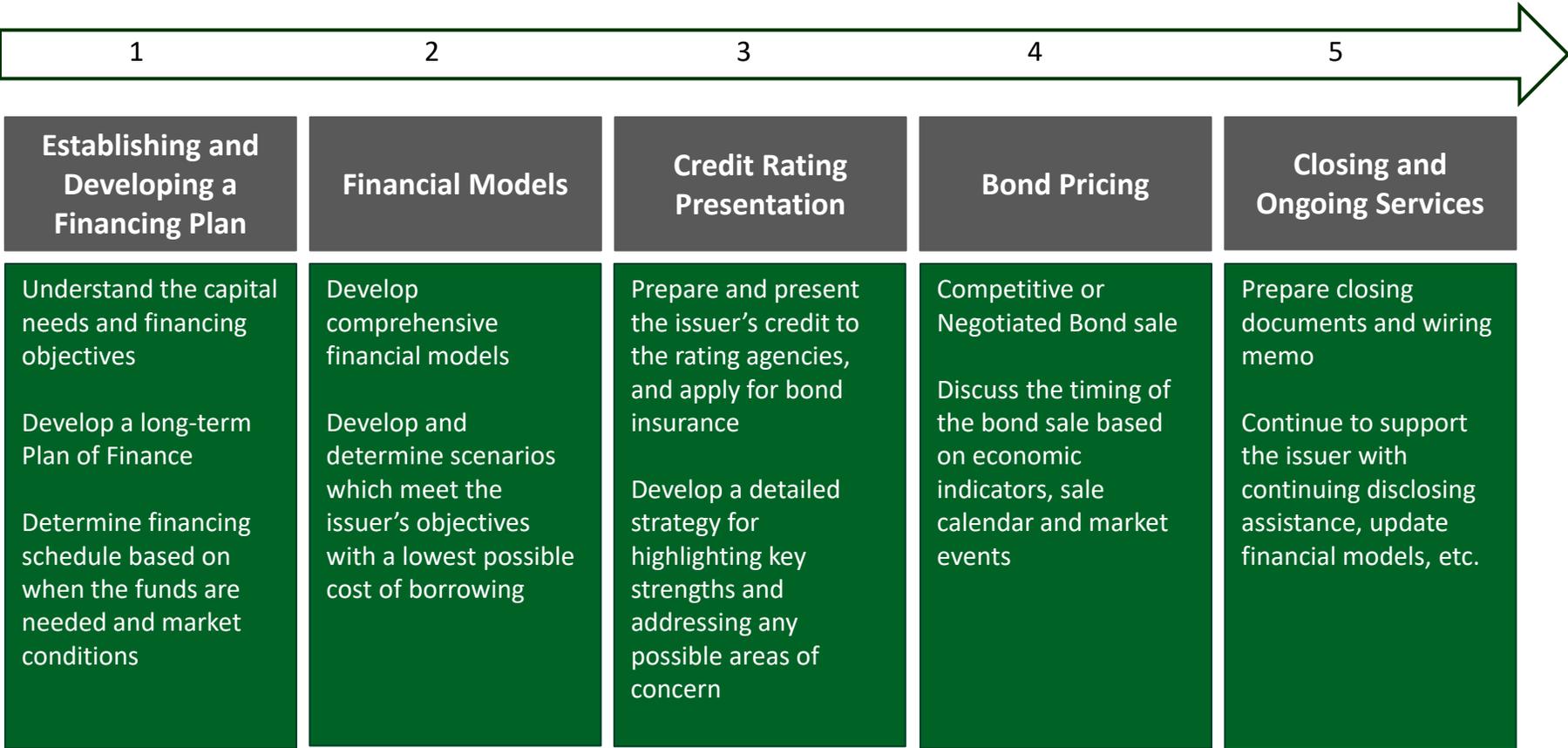
Financing Plan for the Issuance of Certificates of Obligation

Nueces County Hospital District



Major Steps in the Bond Issuance Process

- Long-term capital planning is a key first step to any debt issuance process.
- Developing a capital planning model helps everyone (staff, elected officials, rating agencies) understand if/how the projects can be funded and the resulting financial impact while also ensuring continued compliance with the District’s financial policies.



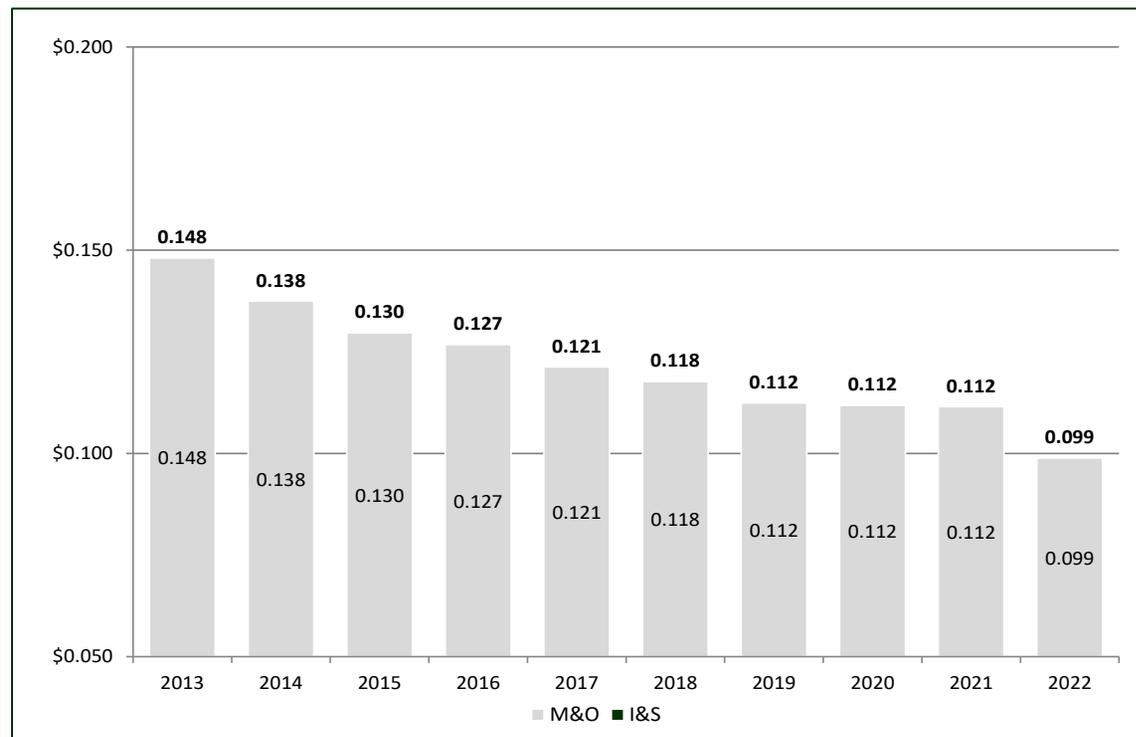
Nueces County Hospital District's Financing History

- The NCHD currently has no debt outstanding, but has utilized debt in the past for capital improvement projects and refinancings

Date:	Amount:	Title:
9/1/1975	\$4,000,000	Revenue Bonds
7/1/1986	\$26,990,000	Revenue Refunding & Improvement Bonds
5/15/1993	\$27,405,000	Combination Tax & Subordinate Lien Revenue Refunding Bonds
2/15/2003	\$18,490,000	Limited Tax Refunding Bonds

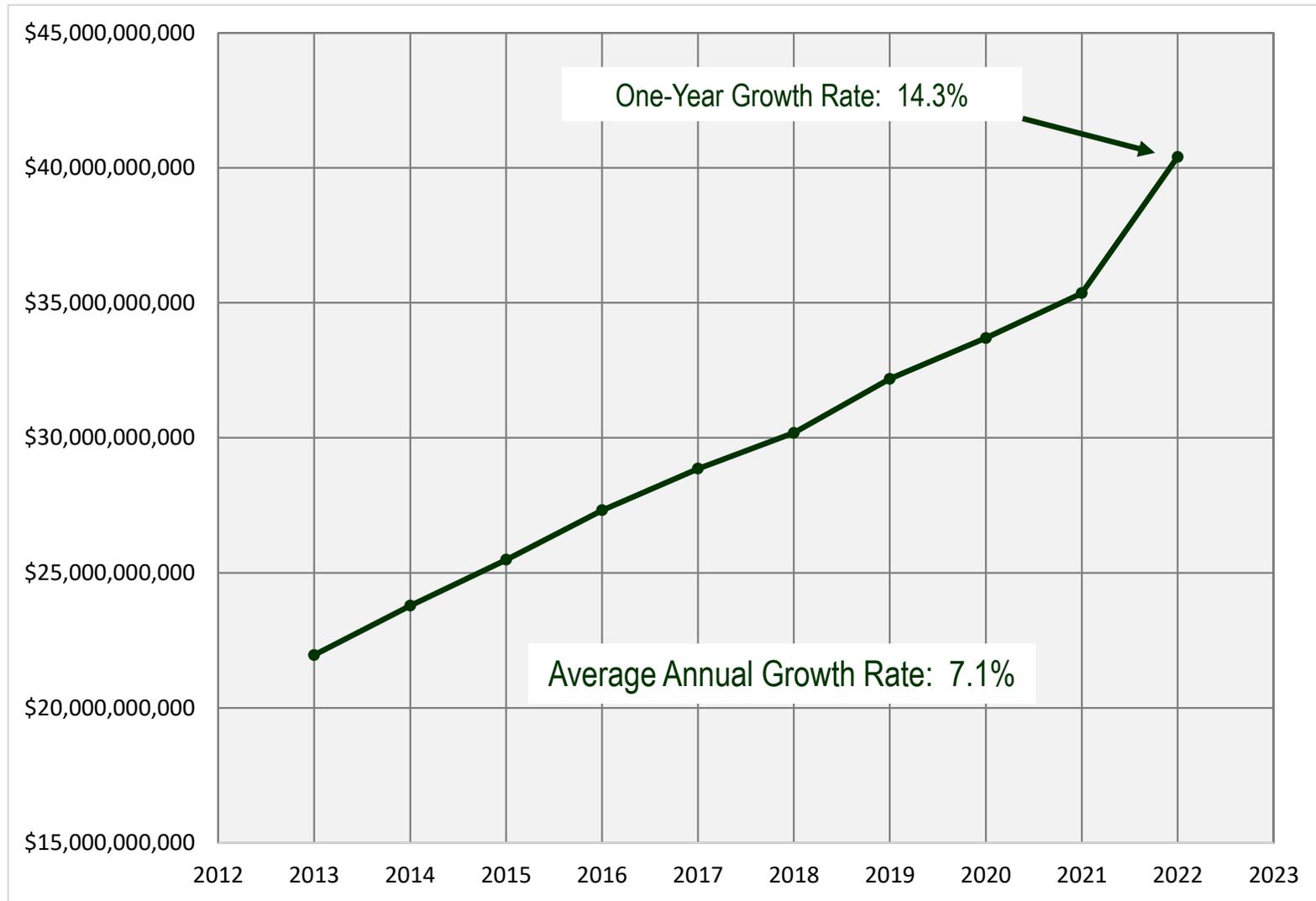
State Attorney General’s Tax Rate Limitations for Texas Hospital Districts

- The Texas Constitution (Art. IX, Sec. 4 & 9) imposes a limit of \$0.75 per \$100 assessed valuation for all purposes, including taxes levied for the payment of operation and maintenance (M&O) expenses of the District and to pay any tax-supported bonded indebtedness of the District.
- Current tax rate for NCHD is \$0.099 and it is only for M&O
- NCHD Tax Rate History:



Taxable Assessed Valuation Trend

- For a tax-supported financing tool such as CO's, the NCHD's property tax base is the main determining factor for bond affordability



Scenario 1: I&S Tax Rate Impact Model for a \$30,000,000 Borrowing = \$0.0047 Impact

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
FYE 9/30	Net Taxable Assessed Valuation	Est. Growth	Existing D/S	\$30,000,000 Series 2023 7/12 4.58%	Projected Total D/S	Less: Available D/S Funds	Less: Frozen Tax Revenues	Projected Total Net D/S	Projected I&S Tax Rate	Change
2023	\$ 39,260,911,676		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	41,223,957,260	5.00%	-	1,901,465	1,901,465	-	-	1,901,465	0.0047	0.0047
2025	43,285,155,123	5.00%	-	1,897,500	1,897,500	-	-	1,897,500	0.0045	
2026	45,449,412,879	5.00%	-	1,899,500	1,899,500	-	-	1,899,500	0.0043	
2027	46,812,895,265	3.00%	-	1,900,250	1,900,250	-	-	1,900,250	0.0041	
2028	48,217,282,123	3.00%	-	1,899,750	1,899,750	-	-	1,899,750	0.0040	
2029	49,181,627,766	2.00%	-	1,898,000	1,898,000	-	-	1,898,000	0.0039	
2030	50,165,260,321	2.00%	-	1,900,000	1,900,000	-	-	1,900,000	0.0039	
2031	51,168,565,527	2.00%	-	1,900,500	1,900,500	-	-	1,900,500	0.0038	
2032	52,191,936,838	2.00%	-	1,899,500	1,899,500	-	-	1,899,500	0.0037	
2033	53,235,775,575	2.00%	-	1,897,000	1,897,000	-	-	1,897,000	0.0036	
2034	54,300,491,086	2.00%	-	1,898,000	1,898,000	-	-	1,898,000	0.0036	
2035	55,386,500,908	2.00%	-	1,897,250	1,897,250	-	-	1,897,250	0.0035	
2036	56,494,230,926	2.00%	-	1,899,750	1,899,750	-	-	1,899,750	0.0034	
2037	57,624,115,545	2.00%	-	1,900,250	1,900,250	-	-	1,900,250	0.0034	
2038	58,776,597,856	2.00%	-	1,898,750	1,898,750	-	-	1,898,750	0.0033	
2039	59,952,129,813	2.00%	-	1,900,250	1,900,250	-	-	1,900,250	0.0032	
2040	61,151,172,409	2.00%	-	1,899,500	1,899,500	-	-	1,899,500	0.0032	
2041	62,374,195,857	2.00%	-	1,896,500	1,896,500	-	-	1,896,500	0.0031	
2042	63,621,679,774	2.00%	-	1,896,250	1,896,250	-	-	1,896,250	0.0030	
2043	64,894,113,370	2.00%	-	1,898,500	1,898,500	-	-	1,898,500	0.0030	
2044	66,191,995,637	2.00%	-	1,898,000	1,898,000	-	-	1,898,000	0.0029	
2045	67,515,835,550	2.00%	-	1,899,750	1,899,750	-	-	1,899,750	0.0029	
2046	68,866,152,261	2.00%	-	1,898,500	1,898,500	-	-	1,898,500	0.0028	
2047	70,243,475,306	2.00%	-	1,899,250	1,899,250	-	-	1,899,250	0.0028	
2048	71,648,344,812	2.00%	-	1,896,750	1,896,750	-	-	1,896,750	0.0027	
2049	73,081,311,708	2.00%	-	1,901,000	1,901,000	-	-	1,901,000	0.0027	
2050	74,542,937,943	2.00%	-	1,896,500	1,896,500	-	-	1,896,500	0.0026	
2051	76,033,796,701	2.00%	-	1,898,500	1,898,500	-	-	1,898,500	0.0025	
2052	77,554,472,636	2.00%	-	1,896,500	1,896,500	-	-	1,896,500	0.0025	
2053	79,105,562,088	2.00%	-	1,900,500	1,900,500	-	-	1,900,500	0.0025	
Totals			\$ -	\$ 56,963,715	\$ 56,963,715	\$ -	\$ -	\$ 56,963,715		\$ 0.0047

Assumptions:

- (1) FY 2023 Net Taxable AV provided by the Nueces County Appraisal District ("NCAD") as of August 8, 2022 and includes 60% of the under review amount of \$1,435,442,044. Additionally, the AV excludes the TIF incremental value of \$560,749,003. Projected AV growth, if any, shown for purposes of illustration only.
- (2) All assumptions are as of February 15, 2023 for purposes of illustration only. Preliminary Series 2023 assumes a July 2023 delivery and current market rates + 0.50%.
- (3) Est. tax collections rate: 98.00%

Scenario 2: I&S Tax Rate Impact Model for a \$45,000,000 Borrowing = \$0.0070 Impact

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
FYE 9/30	Net Taxable Assessed Valuation	Est. Growth	Existing D/S	\$45,000,000 Series 2023 7/12 4.58%	Projected Total D/S	Less: Available D/S Funds	Less: Frozen Tax Revenues	Projected Total Net D/S	Projected I&S Tax Rate	Change
2023	\$ 39,260,911,676		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	41,223,957,260	5.00%	-	2,846,285	2,846,285	-	-	2,846,285	0.0070	0.0070
2025	43,285,155,123	5.00%	-	2,843,250	2,843,250	-	-	2,843,250	0.0067	
2026	45,449,412,879	5.00%	-	2,843,750	2,843,750	-	-	2,843,750	0.0064	
2027	46,812,895,265	3.00%	-	2,842,500	2,842,500	-	-	2,842,500	0.0062	
2028	48,217,282,123	3.00%	-	2,844,500	2,844,500	-	-	2,844,500	0.0060	
2029	49,181,627,766	2.00%	-	2,844,500	2,844,500	-	-	2,844,500	0.0059	
2030	50,165,260,321	2.00%	-	2,842,500	2,842,500	-	-	2,842,500	0.0058	
2031	51,168,565,527	2.00%	-	2,843,500	2,843,500	-	-	2,843,500	0.0057	
2032	52,191,936,838	2.00%	-	2,847,250	2,847,250	-	-	2,847,250	0.0056	
2033	53,235,775,575	2.00%	-	2,843,500	2,843,500	-	-	2,843,500	0.0055	
2034	54,300,491,086	2.00%	-	2,842,500	2,842,500	-	-	2,842,500	0.0053	
2035	55,386,500,908	2.00%	-	2,844,000	2,844,000	-	-	2,844,000	0.0052	
2036	56,494,230,926	2.00%	-	2,842,750	2,842,750	-	-	2,842,750	0.0051	
2037	57,624,115,545	2.00%	-	2,843,750	2,843,750	-	-	2,843,750	0.0050	
2038	58,776,597,856	2.00%	-	2,846,750	2,846,750	-	-	2,846,750	0.0049	
2039	59,952,129,813	2.00%	-	2,846,500	2,846,500	-	-	2,846,500	0.0048	
2040	61,151,172,409	2.00%	-	2,843,000	2,843,000	-	-	2,843,000	0.0047	
2041	62,374,195,857	2.00%	-	2,846,250	2,846,250	-	-	2,846,250	0.0047	
2042	63,621,679,774	2.00%	-	2,845,750	2,845,750	-	-	2,845,750	0.0046	
2043	64,894,113,370	2.00%	-	2,846,500	2,846,500	-	-	2,846,500	0.0045	
2044	66,191,995,637	2.00%	-	2,843,250	2,843,250	-	-	2,843,250	0.0044	
2045	67,515,835,550	2.00%	-	2,846,000	2,846,000	-	-	2,846,000	0.0043	
2046	68,866,152,261	2.00%	-	2,844,250	2,844,250	-	-	2,844,250	0.0042	
2047	70,243,475,306	2.00%	-	2,843,000	2,843,000	-	-	2,843,000	0.0041	
2048	71,648,344,812	2.00%	-	2,847,000	2,847,000	-	-	2,847,000	0.0041	
2049	73,081,311,708	2.00%	-	2,845,750	2,845,750	-	-	2,845,750	0.0040	
2050	74,542,937,943	2.00%	-	2,844,250	2,844,250	-	-	2,844,250	0.0039	
2051	76,033,796,701	2.00%	-	2,842,250	2,842,250	-	-	2,842,250	0.0038	
2052	77,554,472,636	2.00%	-	2,844,500	2,844,500	-	-	2,844,500	0.0037	
2053	79,105,562,088	2.00%	-	2,845,500	2,845,500	-	-	2,845,500	0.0037	
Totals			\$ -	\$ 85,335,035	\$ 85,335,035	\$ -	\$ -	\$ 85,335,035		\$ 0.0070

Assumptions:

- (1) FY 2023 Net Taxable AV provided by the Nueces County Appraisal District ("NCAD") as of August 8, 2022 and includes 60% of the under review amount of \$1,435,442,044. Additionally, the AV excludes the TIF incremental value of \$560,749,003. Projected AV growth, if any, shown for purposes of illustration only.
- (2) All assumptions are as of February 15, 2023 for purposes of illustration only. Preliminary Series 2023 assumes a July 2023 delivery and current market rates + 0.50%.
- (3) Est. tax collections rate: 98.00%

Summary of Financing Scenarios:

Borrowing Amount*:	I&S Tax Rate Impact:	Monthly Impact to \$250,000 Home
\$30,000,000	\$0.0047	\$0.98
\$45,000,000	\$0.0070	\$1.46

(Assumes a 30-year repayment term with a fixed interest rate of 4.58% for planning purposes.*

Financing Tools Available to Texas Hospital Districts

Type:	General Obligation Bonds	Certificates of Obligation ⁽¹⁾	Revenue Bonds
Purpose:	General Purpose	General Purpose	Enterprise System
Voter Authorization:	Yes	No ⁽²⁾	No
Amortization Requirements:	Not to exceed 40 years	Not to exceed 40 years	None
Source of Payment:	I&S Taxes ⁽³⁾	I&S Taxes ⁽³⁾ and/or revenues	Revenues
Interest Rate:	Strongest Credit: Lowest Interest Rates	Similar to General Obligation Bonds	Higher than General Obligation Bonds

⁽¹⁾ If a bond election failed, Certificates may not be issued for that purpose within 3 years of the election.

⁽²⁾ Publication of notice required: petition during notice period could require an election.

⁽³⁾ I&S Tax Rate is not subject to rollback.

Steps Required for the Issuance of Certificates of Obligation

- Board approves a Financing Plan for the issuance of Certificates of Obligation (“CO’s”); Requests the County to consider the approval of a “Notice of Intent Resolution” to issue the CO’s
- Commissioners Court approves Notice of Intent Resolution
- 1st publication of the Notice of Intent appears in the Caller Times (45-day clock begins)
- 2nd publication of the Notice of Intent appears in the Caller Times (must occur 1-week after 1st publication)
- Enter the bond market for the sale of the Certificates of Obligation (i.e., lock-in interest rate; may not occur earlier than 45-days from the 1st publication)
 - Board approves the sale of the CO’s at a special-called meeting
 - Commissioners Court approves the sale of the CO’s at a regular meeting
- Closing; proceeds delivered to the District’s construction fund (30-days after sale of CO’s)

***** From start to finish, issuing Certificates of Obligation is a 90-day process *****

Next Steps for a Successful Financing

Action:	Date:
NCHD Approves Financing Plan	April 11
County Approves NOI Resolution	April 26
1 st Publication of NOI	May 1
2 nd Publication of NOI	May 15
Lock-in Interest Rate at NCHD (Special Meeting)	June 20
County Approves CO Order (Regular Meeting)	June 21
Closing / Proceeds wired to NCHD	July 20

Financing Goals

- Borrow an amount not to exceed \$45,000,000
- Utilize Certificates of Obligation as the financing tool
- Repayment term not to exceed 30-years with a fixed interest rate
- Enter the bond market on Tuesday, June 20, 2023 (i.e., lock-in interest rate)
- Close the transaction on July 20, 2023
- Minimize the overall tax rate impact



\$ _____ *

**Nueces County Hospital District
Certificates of Obligation, Series 2023
(Nueces County, Texas)**

Timetable of Events

April						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

- | <u>Date</u> | <u>Event</u> |
|----------------------------------|--|
| Tuesday, April 11, 2023 | • Board of Managers approves a Financing Plan; Requests the County to consider the approval of a Notice of Intent Resolution for the issuance of the Obligations. |
| Wednesday, April 26, 2023 | • County Commissioners Court considers the approval of a Notice of Intent Resolution for the issuance of the Obligations. |
| Monday, May 1, 2023 | • First Publication of the Notice of Intent appears in the Caller-Times; Notice of Intent posted on County’s website and shall remain through June 21, 2023. |
| Monday, May 15, 2023 | • Second Publication of the Notice of Intent appears in the Caller-Times. |
| Tuesday, May 16, 2023 | • Send 1st Draft of Preliminary Official Statement (“POS”) to Bond Counsel; Request rating from S&P Global Ratings and submit municipal bond insurance applications. |
| Tuesday, May 23, 2023 | • 1 st draft of the POS comments due from Bond Counsel. |
| Thursday, May 25, 2023 | • Send 2 nd Draft of the POS to all parties. |
| Friday, June 2, 2023 | • 2 nd Draft of the POS comments due from all parties. |
| TBD | • Rating Agency Conference Call. |
| Monday, June 5, 2023 | • Rating due from S&P. |
| TBD | • Due Diligence Conference Call. |
| Tuesday, June 6, 2023 | • POS to distribution list and post on website. |
| Tuesday, June 20, 2023 | • Price the Obligations; Board of Managers approves the Sale of the Obligations at a Special-Called Meeting. |
| Wednesday, June 21, 2023 | • County Commissioners Court approves the Sale Ordinance at a Regular Meeting. |
| Monday, June 26, 2023 | • Send transcript to Texas Attorney General. |
| Thursday, July 13, 2023 | • Receive Texas Attorney General Preliminary Approval Letter. |
| Thursday, July 20, 2023 | • Closing. Delivery of the Obligations and Receipt of Proceeds. |

**Preliminary, subject to change.*



BOARD OF MANAGERS RESOLUTION
APRIL 11, 2023

RESOLUTION ADOPTING A PLAN OF FINANCE RELATING TO THE DESIGN, CONSTRUCTION, AND ACQUISITION OF DISTRICT FACILITIES; AUTHORIZING DISTRICT STAFF, CONSULTANTS, AND ADVISORS TO PROCEED WITH PLAN OF FINANCE IMPLEMENTATION; REQUESTING THAT THE NUECES COUNTY COMMISSIONERS COURT ADOPT A NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION ON BEHALF OF THE DISTRICT TO FUND THE PROPOSED PLAN OF FINANCE; AND OTHER MATTERS NECESSARY AND INCIDENT TO THE FOREGOING

WHEREAS, the Nueces County Hospital District is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and Chapter 281, Texas Health and Safety Code, and operated in accordance with the Health Code and other applicable laws of the State of Texas;

WHEREAS, pursuant to the collective authorities of the §281.047 and §281.048, Texas Health and Safety Code, the Board of Managers of the Nueces County Hospital District has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the Hospital District;

WHEREAS, the Nueces County Hospital District (the "District") has previously retained Specialized Public Finance Inc. as its financial advisor (the "Financial Advisor"), McCall, Parkhurst & Horton L.L.P. as its Bond Counsel (the "Bond Counsel"), and Cantu Harden Montoya LLP as its disclosure counsel (the "Disclosure Counsel" and, collectively with the Financial Advisor and Bond Counsel, the "Financial Consultants"), relating to the proposed issuance of evidences indebtedness; and;

WHEREAS, the District has communicated to the Financial Consultants its plan to undertake a capital improvements program funded in part by lawfully available District funds and in part by the proceeds of indebtedness secured by and payable from the prospective levy and collection of an ad valorem tax, such project (herein referred to as the "Project") to consist of the following:

Acquiring, purchasing, constructing, reconstructing, improving, renovating, rehabilitating or equipping a building or buildings, purchasing technology equipment and related hardware and software, and the purchase and improvement of the necessary sites therefor, for constructing or improving the District's hospitals and other health care facilities, and buildings [throughout Nueces County], including (a) acquisition, construction, renovation, rehabilitation, remodeling and equipping community hospitals, health care facilities, and related medical office buildings [throughout Nueces County], (b) acquisition, construction, renovation, rehabilitation, remodeling, expanding and equipping parking garages and parking facilities, and (c) acquisition, construction, renovation, rehabilitation, remodeling

and equipping other hospital and health care facilities and buildings [throughout Nueces County], (2) acquiring materials, supplies, equipment, machinery, land, rights-of-ways and other interests in real property, and related parking and infrastructure for authorized needs and purposes, and (3) the payment of professional services related to the acquisition, design, construction, project management and financing of the aforementioned projects; and

WHEREAS, the Financial Consultants have presented to the District a plan of finance relating to the Project that contemplates, in addition to the contribution of available District funds, the District's issuance of certificates of obligation in an amount not to exceed Fifty Million Dollars (\$50,000,000) (the "Certificates") and to be sold at an appropriate time pursuant to a negotiated underwriting process (collectively, the "Plan of Finance"); and

WHEREAS, pursuant to Chapter 281.106, as amended, Texas Health and Safety Code and Subchapter C of Chapter 271, as amended, Texas Local Government Code (together, the "Act"), the District's Board of Managers (the "Board"), with the approval of the Commissioners Court (the "Court") of Nueces County, Texas (the "County"), authorized and empowered to issue certificates of obligation for the purpose of paying contractual obligations of the District to be incurred for making permanent public improvements and for other public purposes such as the Project; and

WHEREAS, the Board hereby finds and determines that the Certificates be sold and delivered in accordance with the provisions of the Act and; and

WHEREAS, the Board now wishes to (i) approve the Plan of Finance and (ii) request that the Court take the appropriate and necessary steps that will allow for the prospective consideration and approval of the issuance of the Certificates that are a part of the Plan of Finance; and;

WHEREAS, prior to the issuance of the Certificates, the Act requires publication, in accordance with its terms, of a notice of intent to issue certificates of obligation; and;

WHEREAS, in furtherance of the foregoing, the Board now considers it in the District's best interest to request that the Court approve a resolution authorizing the publication of a notice of intention to issue the Certificates in the manner and for the purpose herein described; and;

WHEREAS, the Board anticipates that, at the appropriate time after publication of the notice of intention to issue and establishment of final pricing terms of the Certificates, that it will consider by order or resolution a request that the Court adopt an order authorizing the issuance of Certificates in accordance with the Plan of Finance; and;

WHEREAS, it is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code; now therefore,

BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT:

SECTION 1. Approval of Plan of Finance. The Board hereby approves the Plan of Finance and authorizes District staff, in coordination with the Financial Consultants, to proceed with its implementation. Such parties are authorized to take such steps, on the District's behalf, as are necessary or incidental to implementation of the Plan of Finance.

SECTION 2. Requesting Publication of Notice of Intention to Issue Certificates of Obligation. The Board hereby requests that the Court adopt a resolution, in the form attached hereto as Exhibit A (the "County Resolution"), authorizing publication of a Notice of Intention to issue the Certificates (the "Notice"). The Board hereby approves the form and content of the County Resolution, including the Notice attached thereto and made a part thereof.

SECTION 3. Incorporation of Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 4. Repeal of Prior Conflicting Action. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 5. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America

SECTION 6. Severability. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 7. Compliance with Open Meetings Requirements. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code. This Resolution shall be in force and effect from and after the date of its adoption, and it is so resolved.

SECTION 8. Effective Date. This Resolution shall be in force and effect from and after the date of its adoption, and it is so resolved.

[The remainder of this page intentionally left blank.]

PASSED AND APPROVED, this the 11th day of April, 2023.

John E. Valls, MBA
Chairman

Vishnu V. Reddy, M.D.
Vice Chairman

Sylvia Tryon Oliver
Member

Belinda Flores, R.N.
Member

Judge Mariana Garza
Member

Efrain Guerrero, Jr.
Member

Arthur Granado
Member

ATTEST:

Secretary, Board of Managers

(DISTRICT SEAL)

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS RESOLUTION
APRIL 11, 2023
APPROVE FINANCE PLAN & REQUEST
COMM. COURT APPROVAL OF NOTICE OF INTENT

EXHIBIT A

A RESOLUTION BY THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS AUTHORIZING AND APPROVING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION FOR THE BENEFIT OF THE NUECES COUNTY HOSPITAL DISTRICT; COMPLYING WITH THE REQUIREMENTS CONTAINED IN SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Commissioners Court (the *Court*) of Nueces County, Texas (the *County*), has determined that it is advisable and necessary to issue and sell one or more series of certificates of obligation (the *Certificates*) for the benefit of the Nueces County Hospital District (the *District*), in a principal amount not to exceed \$_____, without regard to premium received in connection with the sale of the Certificates; and

WHEREAS, the Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Subchapter C of Chapter 271, as amended, Texas Local Government Code and Chapter 281, as amended, Texas Health and Safety Code (together, the *Act*); and

WHEREAS, the District's Board of Managers has adopted a resolution establishing its desire that the Court commence proceedings that serve as legal prerequisites to the issuance of the Certificates under the Act; and

WHEREAS, the Certificates will be issued in the name of the District and be secured primarily by the District's ad valorem taxes that are annually levied by the Court for the benefit of the District; and

WHEREAS, prior to the issuance of the Certificates, the Court, acting on behalf of the District, is required to publish notice of its intention to issue the Certificates, a form of which is attached hereto as Appendix I (the *Notice*) in a newspaper of general circulation in the County; and

WHEREAS, the Notice shall be published once a week for two (2) consecutive weeks in the *Corpus Christi Caller-Times* (the *Newspaper*), the date of the first publication to be at least forty-six (46) days before the date tentatively set in the Notice for the passage of the order authorizing the issuance of the Certificates, and the Notice shall be posted continuously on both the County's and the District's website for at least forty-five (45) days before the date tentatively set in the Notice for the passage of the order authorizing the issuance of the Certificates; and

WHEREAS, the Court hereby finds and determines that such documents pertaining to the giving of notice of intention to issue the Certificates at the times and in the form, and manner provided by law are hereby approved; and

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS RESOLUTION
APRIL 11, 2023
APPROVE FINANCE PLAN & REQUEST
COMM. COURT APPROVAL OF NOTICE OF INTENT

WHEREAS, the Court hereby finds and determines that these actions are in the best interests of the citizens of the County; now, therefore

BE IT RESOLVED BY THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS THAT:

The County Clerk is hereby authorized and directed to cause to be published, in the manner required by the Act, the Notice, which Notice evidences the Court's intention to issue the Certificates in the name of and secured primarily by the ad valorem tax of the District in a principal amount, without regard to premium received in connection with the sale of the Certificates, not to exceed \$[_____] for the purposes set forth in the Notice. The Notice hereby approved and authorized to be published shall read substantially in the form and content of Appendix I attached hereto. The Notice attached hereto as Appendix I is incorporated herein by reference as a part of this Resolution for all purposes.

The County Clerk shall cause the Notice to be published in a newspaper of general circulation in the County, once a week for two consecutive weeks in the Newspaper, which the Court hereby finds and determines is a "newspaper", as defined by Subchapter C of Chapter 2051, as amended, Texas Government Code, that is of general circulation in the County, with the date of the first publication to be before the forty- fifth (45th) day before the date identified in the Notice as the date tentatively set for the passage of the order authorizing the issuance of the Certificates (the *Passage Date*). Additionally, the Notice shall be posted continuously on both the County's and the District's respective websites for at least forty-five (45) days before the Passage Date.

The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Court.

All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and this Court hereby declares that this Resolution would have been enacted without such invalid provision.

The County Judge and the County Clerk are hereby authorized to take such actions as may be appropriate to carry out the intent of this Resolution, including amending or changing the wording of the Notice.

It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

This Resolution shall be in force and effect from and after the date of its adoption, and it is so resolved.

PASSED AND APPROVED, this the 26th day of April, 2023.

NUECES COUNTY, TEXAS

County Judge

ATTEST:

County Clerk and Ex-Officio Clerk of the
Commissioners Court of Nueces County, Texas

Appendix I

NOTICE OF INTENTION TO ISSUE
NUECES COUNTY HOSPITAL DISTRICT
CERTIFICATES OF OBLIGATION

TAKE NOTICE that the Commissioners Court (the *Court*) of Nueces County, Texas (the *County*), shall convene at 9:00 o'clock A.M. on the ___th day of _____, 2023, at its regular meeting place in the Nueces County Courthouse, and, during such meeting, the Court will consider the passage of an order authorizing the issuance of a series of certificates of obligation (the *Certificates*) in the name of the Nueces County Hospital District (the *District*), in a maximum principal aggregate principal amount, without regard to premium received in connection with the sale of the Certificates, not to exceed \$[_____], bearing interest at any rate or rates not to exceed the maximum interest rate authorized by law, which rates may be variable or fixed, and maturing over a period not to exceed for (40) years from the date of issuance, for the purpose of paying contractual obligations of the District to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, purchasing, constructing, reconstructing, improving, renovating, rehabilitating or equipping a building or buildings, purchasing technology equipment and related hardware and software, and the purchase and improvement of the necessary sites therefor, for constructing or improving the District's hospitals and other health care facilities, and buildings [throughout Nueces County], including (a) acquisition, construction, renovation, rehabilitation, remodeling and equipping community hospitals, health care facilities, and related medical office buildings [throughout Nueces County], (b) acquisition, construction, renovation, rehabilitation, remodeling, expanding and equipping parking garages and parking facilities, and (c) acquisition, construction, renovation, rehabilitation, remodeling and equipping other hospital and health care facilities and buildings [throughout Bexar County], (2) acquiring materials, supplies, equipment, machinery, land, rights-of-ways and other interests in real property, and related parking and infrastructure for authorized needs and purposes, and (3) the payment of professional services related to the acquisition, design, construction, project management and financing of the aforementioned projects (collectively, the *Project*). The Certificates will be payable from the levy of the District's annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the County and from a lien on and pledge of certain of the net revenues derived from the operation of the District's hospital system. The estimated combined principal and interest required to pay the Certificates on time and in full is \$[_____]. Such estimate is provided for illustrative purposes only and is based on an assumed fixed interest rate of [___]%. Market conditions affecting interest rates vary based on a number of factors beyond the control of the District, and the District cannot and does not guarantee a particular interest rate associated with the Certificates. As of the date of this notice, the aggregate principal amount outstanding of tax-supported debt obligations of the District is \$0.00, and based on the District's expectations, as of the date of this notice the combined principal and interest required to pay all of the outstanding tax-supported debt obligations of the District on time and in full is \$0.00. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS RESOLUTION
APRIL 11, 2023
APPROVE FINANCE PLAN & REQUEST
COMM. COURT APPROVAL OF NOTICE OF INTENT

Obligation Act of 1971, codified at Subchapter C of Chapter 271 (Sections 271.041 through Section 271.065), as amended, Local Government Code, and Chapter 281, as amended, Texas Health and Safety Code.

/s/ Kara Sands
County Clerk and Ex-Officio Clerk of the
Commissioners Court of Nueces County, Texas

CERTIFICATE OF BOARD SECRETARY

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §
 §
NUECES COUNTY HOSPITAL §
DISTRICT §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 11th day of April, 2023, the Board of Managers (the “Board”) of the Nueces County Hospital District (the “District”) convened in special session at its regular meeting place at Board of Managers Meeting Room, 555 N. Carancahua Street, Room 950-A, Corpus Christi, Texas 78401 (the “Meeting”), the duly constituted members of the Board being as follows:

- | | |
|---------------------|--------------|
| John E. Valls, MBA | Chairman |
| Vishnu Reddy, M.D. | Vice Chair |
| Sylvia Tryon Oliver | Board Member |
| Belinda Flores, RN | Board Member |
| Mariana Garza, J.D. | Board Member |
| Efrain Guerrero | Board Member |
| Arthur Granado | Board Member |

and all of such persons were present at the Meeting, except the following: _____, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the “Resolution”) entitled:

RESOLUTION ADOPTING A PLAN OF FINANCE RELATING TO THE DESIGN, CONSTRUCTION, AND ACQUISITION OF DISTRICT FACILITIES; AUTHORIZING DISTRICT STAFF, CONSULTANTS, AND ADVISORS TO PROCEED WITH PLAN OF FINANCE IMPLEMENTATION; REQUESTING THAT THE NUECES COUNTY COMMISSIONERS COURT ADOPT A NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION ON BEHALF OF THE DISTRICT TO FUND THE PROPOSED PLAN OF FINANCE; AND OTHER MATTERS NECESSARY AND INCIDENT TO THE FOREGOING

was introduced and submitted to the Board for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Board Member _____ that the Resolution be finally passed and adopted. The motion was seconded by Board Member _____ and carried by the following vote:

___ voted “For” ___ voted “Against” ___ abstained

all as shown in the official Minutes of the Board for the Meeting.

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS RESOLUTION
APRIL 11, 2023
APPROVE FINANCE PLAN & REQUEST
COMM. COURT APPROVAL OF NOTICE OF INTENT

2. The attached Resolution is a true and correct copy of the original on file in the official records of the District; the duly qualified and acting members of the Board on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Board was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the District, this 11th day of April, 2023.

Secretary, Board of Managers
Nueces County Hospital District

(DISTRICT SEAL)



Administrative Offices
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

Office: (361) 808-3300
Fax: (361) 808-3274
www.nchdcc.org

WAIVER OF NOTICE AND CONSENT TO SPECIAL MEETING

WE, the undersigned members of the Board of Managers of the Nueces County Hospital District, HEREBY WAIVE NOTICE and CONSENT to the holding of a special meeting of the Board to be held on the 11th day of April 2023, at 9:00 a.m. o'clock, in the regular meeting place of the Board of Managers for the purpose of passing, adopting, or otherwise acting upon for the purpose of passing, adopting, or otherwise acting upon

RESOLUTION ADOPTING A PLAN OF FINANCE RELATING TO THE DESIGN, CONSTRUCTION, AND ACQUISITION OF DISTRICT FACILITIES; AUTHORIZING DISTRICT STAFF, CONSULTANTS, AND ADVISORS TO PROCEED WITH PLAN OF FINANCE IMPLEMENTATION; REQUESTING THAT THE NUECES COUNTY COMMISSIONERS COURT ADOPT A NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION ON BEHALF OF THE DISTRICT TO FUND THE PROPOSED PLAN OF FINANCE; AND OTHER MATTERS NECESSARY AND INCIDENT TO THE FOREGOING

and for the purpose of acting upon such other matters as may properly come before such meeting.

SIGNED this _____.

Absent Board Member

Absent Board Member

Absent Board Member