

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS
Board of Managers - Regular Meeting
Tuesday, June 27, 2023 at 12:00 PM**

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. CONSENT AGENDA - The Consent Agenda consists of those agenda items which are routine, administrative in nature, not in need of separate attention, and which a member of the Board has not requested be discussed separately. If requested to be discussed separately, that agenda item will be removed from the Consent Agenda by the presiding officer to the Regular Agenda and discussed as a part of the Regular Agenda at the appropriate time. All remaining items listed under the Consent Agenda will be voted upon in a single vote:

- A. Approve Board of Managers Regular Meeting minutes of May 23, 2023. 9

- B. Receive listing of new vendors as of June 22, 2023; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176. 20

- C. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2023 year-to-date: 21
 - 1. Salaries, benefits, supplies, and intergovernmental transfers at/for City of Corpus Christi/Nueces County Public Health District;
 - 2. Emergency medical services provided in unincorporated areas of Nueces County;
 - 3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;
 - 4. Medical services provided at County correctional facilities:
 - a. Nueces County Jail; and
 - b. Nueces County Juvenile Detention Center;
 - 5. Funding for alcohol and drug abuse treatment programs:
 - a. Cenikor (Charlie's Place);
 - b. Council on Alcohol and Drug Abuse; and
 - c. Palmer Drug Abuse Program;
 - 6. Funding for diabetes prevention and supporting programs;
 - 7. Public health grants; and
 - 8. Legal and professional fees. (*Finance Committee*)

- D. Receive summary imputed claims information on medical and hospital care provided to the Nueces Aid Program population consistent with the 22

CHRISTUS Spohn Health System Corporation Amended and Restated
Membership Agreement for fiscal year-to-date period-ended May 31, 2023.
(Finance Committee)

E. Receive fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03. 23
(Finance Committee)

F. Receive monthly statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Schedule 1 to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement; receive statement for month-ended May 31, 2023. (Finance Committee)

G. Receive statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C, as amended. (Finance Committee) 24

H. Receive summary report of cumulative estimated provider payments and actual intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental and directed payment programs sponsored by the Texas Health and Human Services Commission (HHSC): 25

1. Directed Payment Programs - Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:

- a. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
- b. Network Access Improvement Program (NAIP);
- c. Texas Incentives for Physicians and Professional Services (TIPPS);
- d. Uniform Hospital Rate Increase Program (UHRIP); and

2. Supplemental Payment Programs - HHSC-directed payments made to hospitals for achieving certain goals or to support health care providers that see significant numbers of uninsured or persons without much money:

- a. Disproportionate Share Hospitals (DSH) program;
- b. Graduate Medical Education (GME);
- c. Hospital Uncompensated Care (UC) pool; and

3. Phase-Out Programs:

- a. Delivery System Reform Incentive Payment (DSRIP) pool. (Finance Committee)

I. Receive reports relating to Nueces Aid Program enrollment for the month-ended May 31, 2023:	
1. Total Persons and Households Enrolled;	26
2. Enrollment Summary;	27
3. Denials;	29
4. Application Processing Summary; and	30
5. Enrollment by Zip Code. (<i>Finance Committee</i>)	34
J. Receive information on State Comptroller of Public Accounts' 2023 pro-rata distributions of Calendar Year 2022 income from Tobacco Permanent Settlement Trust Account; distributions pursuant to Texas Administrative Code, Title 25, Part 1, Chapter 102, Rule §102.2. (<i>Finance Committee</i>)	37

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

A. Property Valuations:

1. Receive and discuss information relating to 2023 Nueces County property valuations on petrochemical and other properties and discuss related matters; receive and discuss property valuations information from Nueces County Tax Assessor/Collector. (INFORMATION)	43
--	----

B. Finance Committee:

1. Financial Statements:

a. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended May 31, 2023. (ACTION)	46
--	----

2. Investment Policy:

a. Adopt Board of Managers Resolution relating to annual review of investment policy and investment strategies; adopt changes to policy and strategies to be effective August 1, 2023; review and adoption pursuant to Texas Government Code, §2256.005(e). (ACTION)	53
b. Adopt Board of Managers Resolution relating to annual review and adoption of listing of qualified broker/dealers authorized to engage in investment transactions; adopted listing to be effective August 1, 2023; review and adoption pursuant to Texas Government Code, §2256.025. (ACTION)	88

C. Legislative Committee:

1. Receive final information on 88th Texas Session Legislative Agenda, as amended:

- a. H.B. 4844 - Relating to the use of a broker for the sale of real property by the Nueces County Hospital District. 95
(INFORMATION)

D. Federal Emergency Management Agency (FEMA):

1. Receive information on Hospital District's Request for Arbitration in lieu of Second-Level Appeal on FEMA's First-Level Denial of Application #674808 Appeal concerning the District's recovery of Social Determinants of Health Study costs incurred during the COVID-19 Pandemic; request Arbitration before the United States Civilian Board of Contract Appeals (CBCA):

- a. Request for Arbitration; and 103
- b. CBCA Notice of Docketing. *(INFORMATION)* 129

E. Health Care Provider Participation Program:

1. Receive information relating to projected balances of the Local Provider Participation Fund ("LPPF") a component of the Health Care Provider Participation Program created by the Hospital District; receive information on projected LPPF balances for the remainder of Fiscal Year 2023. *(INFORMATION)* 162

2. Discuss and consider authorizing the Administrator to revise/update participating providers' net patient revenue data used by the Hospital District to calculate the participating providers' mandatory payments authorized under the Health Care Provider Participation Program created by the Hospital District for Fiscal Year 2023 pursuant to Texas Health and Safety Code ("Health Code"), Chapter 298C, as amended; authorize the Administrator to revise/update the calculations used to determine the participating providers' mandatory payments for Fiscal Year 2023 using the most recently available financial and utilization data reported by the Providers to the Texas Department of State Health Services ("Department") under Health Code, Sections 311.032 and 311.033 as most recently released by the Department. *(ACTION)* 164

F. Nueces County:

1. Receive information on and discuss Nueces County's Request For Proposals (RFP) for Jail Diversion Program Services; consider 166

recommending alterations to RFP and/or evaluation authority.
(INFORMATION/ACTION)

2. Receive and discuss presentation, request, and/or information from Nueces County requesting Hospital District funding for the County's proposed health care-related expenditures for Fiscal Year 2024 and consider authorizing funding. **(ACTION)** 167

G. Memorial Medical Center Demolition:

1. Receive, view, and discuss information on Memorial Medical Center demolition project being conducted by CHRISTUS Spohn Health System Corporation; demolition project located at 2606 Hospital Boulevard, Corpus Christi, Texas:

a. Report from CHRISTUS Spohn's Architect and/or Owner's Representative; and

b. View CHRISTUS Health OxBlue Construction Time-Lapse Camera video feed. **(INFORMATION)** 169

H. Community Mental Health Initiatives:

1. Receive and discuss report and information from Nueces Center for Mental Health and Intellectual Disabilities ("MHID") relating to work performed under agreements between Nueces County, MHID, and Hospital District for the fiscal quarter ended March 31, 2023. **(INFORMATION)**

I. Administrator's Actions:

1. Ratify Administrator's action(s) performed as part of his duties directing the affairs of the Hospital District and/or as required by the Board of Managers; duties established pursuant to Texas Health and Safety Code, §281.026(e):

a. Execution of Fourth Amendment To Lease with ERF Tower II, Inc. for administrative office space at 555 N. Carancahua Street, Corpus Christi, Texas, for the term June 1, 2023 - May 31, 2026, with options for two renewal terms of one-year. **(INFORMATION)** 170

b. Issuance of Request for Applications for Depository and Banking Services for the period October 1, 2023 - September 30, 2027 (RFA No. 2023-01). **(INFORMATION)** 175

8. ADMINISTRATOR'S BRIEFING:

A. Execution of Letter Agreement with John B. Martinez for General Counsel Services for the term June 1, 2023 - May 31, 194

2024. **(INFORMATION)**

B. Execution of Legal Services Contract with Cusimano Law Firm and Gaffney & Gaffney relating to Hospital District's Request for Arbitration in lieu of Second-Level Appeal on FEMA's First-Level Denial of Application #674808 Appeal concerning the District's recovery of Social Determinants of Health Study costs incurred during the COVID-19 Pandemic. **(INFORMATION)** 197

C. Next scheduled Board of Managers and Board Committee regular meetings (all meetings' dates, times, and locations are subject to change):

1. Finance Committee: July 25, 2023, 11:30 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;

2. Legislative Committee: No additional meetings scheduled; and

3. Board of Managers: Tuesday, July 25, 2023, 12 Noon in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. **(INFORMATION)**

9. **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.

A. Consult with attorneys on matters relating to Nueces County property valuations.

B. Consult with attorneys on matters relating to United States Civilian Board of Contract Appeals *CBCA 7792-FEMA In the Matter of Nueces County Hospital District.*

C. Consult with attorneys on matters relating to planned improvements to the former Memorial Hospital campus located at 2606 Hospital Boulevard, Corpus Christi, Texas.

D. Consult with attorneys on matters relating to the Health Care Provider Participation Program and Local Provider Participation Fund.

E. Consult with attorneys on matters relating to Hospital District-funded mental health services and contracts for mental health services.

10. **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.

A. Consider final action, decision, or vote on matters considered in the Closed Meeting.
(ACTION AS NEEDED)

11. **ADJOURN**

DRAFT

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR MEETING
MAY 23, 2023**

The Nueces County Hospital District Board of Managers met at 12:00 p.m., Tuesday, May 23, 2023, 2023 in the NCHD Board Room at 555 N. Carancahua, Suite 950 – A Corpus Christi, Texas.

HOSPITAL DISTRICT REPRESENTATIVES:

Jonny F. Hipp	Administrator/CEO
Belinda Espinoza	Assistant Administrator, Administrative Services
Donna Littlefield	Director, Accounting & Finance
Mary Esther Guerra	Assistant County Attorney
Melissa Quintanilla	Executive Assistant/Human Resources
Carmina Hernandez Moreno	Administrative Assistant

OTHERS PRESENT:

John Michael	Hanson
Jerry Kramer	CLK
John Lusins	South Texas Medical Health Associates
Victor Quiroga	Specialized Public Finance Inc.
Amrita Dongre	Student at the University of Austin, Texas
Becky Rios	Corpus Christi Spohn Hospital – via Zoom
Craig Desmond	Corpus Christi Spohn Hospital – via Zoom
Richard Schechter	Attorney – via Zoom

**MINUTES
BOARD OF MANAGERS
REGULAR MEETING
MAY 23, 2023**

WELCOME

1. 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

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

A. Call to order – Mr. John E. Valls, Chairman
The meeting was called to order by Mr. Valls at 12:18 p.m.

B. Establish quorum – Mr. Valls.
A quorum was present with six members in attendance.

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

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.

3. 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

**MINUTES
BOARD OF MANAGERS
REGULAR MEETING
MAY 23, 2023**

disclosed at that time.

4. 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.

No one to speak in public comment.

5. CONSENT AGENDA - The Consent Agenda consists of those agenda items which are routine, administrative in nature, not in need of separate attention, and which a member of the Board has not requested be discussed separately. If requested to be discussed separately, that agenda item will be removed from the Consent Agenda by the presiding officer to the Regular Agenda and discussed as a part of the Regular Agenda at the appropriate time. All remaining items listed under the Consent Agenda will be voted upon in a single vote:

A. Approve Board of Managers Regular Meeting minutes of April 25, 2023.

B. Receive listing of new vendors as of May 18, 2023; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.

C. Receive hospital providers' quarterly reports relating to certain Indigent Care Affiliation Agreements associated with participation in the Texas Healthcare Transformation and Quality Improvement Program Medicaid 1115 Waiver for calendar quarter-ended March 31, 2023:

1. CHRISTUS Spohn Health System Corporation Hospitals: Alice, Beeville, and Kleberg (Consolidated Report);

2. Corpus Christi Medical Center; and

3. Driscoll Children's Hospital.

D. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2023 year-to-date:

**MINUTES
BOARD OF MANAGERS
REGULAR MEETING
MAY 23, 2023**

1. Salaries, benefits, supplies, and intergovernmental transfers at/for City of Corpus Christi/Nueces County Public Health District;
 2. Emergency medical services provided in unincorporated areas of Nueces County;
 3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;
 4. Medical services provided at County correctional facilities:
 - a. Nueces County Jail; and
 - b. Nueces County Juvenile Detention Center;
 5. Funding for alcohol and drug abuse treatment programs:
 - a. Cenikor (Charlie's Place);
 - b. Council on Alcohol and Drug Abuse; and
 - c. Palmer Drug Abuse Program;
 6. Funding for diabetes prevention and supporting programs;
 7. Public health grants; and
 8. Legal and professional fees. *(Finance Committee)*
- E. Receive summary imputed claims information on medical and hospital care provided to the Nueces Aid Program population consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement for fiscal year-to-date period-ended April 30, 2023. *(Finance Committee)*
- F. Receive fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03. *(Finance Committee)*
- G. Receive monthly statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Schedule 1 to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement; receive statements for months-ended February 28 and March 31, 2023. *(Finance Committee)*
- H. Receive statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C, as amended. *(Finance*

MINUTES
BOARD OF MANAGERS
REGULAR MEETING
MAY 23, 2023

Committee)

I. Receive summary report of cumulative estimated provider payments and actual intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental and directed payment programs sponsored by the Texas Health and Human Services Commission (HHSC):

1. Directed Payment Programs - Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:
 - a. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
 - b. Network Access Improvement Program (NAIP);
 - c. Texas Incentives for Physicians and Professional Services (TIPPS);
 - d. Uniform Hospital Rate Increase Program (UHRIP); and
2. Supplemental Payment Programs - HHSC-directed payments made to hospitals for achieving certain goals or to support health care providers that see significant numbers of uninsured or persons without much money:
 - a. Disproportionate Share Hospitals (DSH) program;
 - b. Graduate Medical Education (GME);
 - c. Hospital Uncompensated Care (UC) pool; and
3. Phase-Out Programs:
 - a. Delivery System Reform Incentive Payment (DSRIP) pool. (*Finance Committee*)

J. Receive reports relating to Nueces Aid Program enrollment for the month-ended April 30, 2023:

1. Total Persons and Households Enrolled;
2. Enrollment Summary;
3. Denials;
4. Application Processing Summary; and
5. Enrollment by Zip Code. (*Finance Committee*)

**Consent Agenda approved. Motion by Mr. Guerrero
and seconded by Mr. Granando. MOTION CARRIED.**

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

MINUTES
BOARD OF MANAGERS
REGULAR MEETING
MAY 23, 2023

A. Finance Committee:

1. Financial Statements:

- a. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended April 30, 2023. (*ACTION*)

Financial statements were presented. No action taken.

B. Legislative Committee:

1. Receive information on 88th Texas Session Legislative Agenda, as amended. (*INFORMATION*)
2. Receive information on select Bills in the 88th Texas Legislative Session. (*INFORMATION*)

C. Memorial Medical Center Demolition:

1. Receive, view, and discuss information on Memorial Medical Center demolition project being conducted by CHRISTUS Spohn Health System Corporation; demolition project located at 2606 Hospital Boulevard, Corpus Christi, Texas:
 - a. Report from CHRISTUS Spohn's Architect and/or Owner's Representative; and
 - b. View CHRISTUS Health OxBlue Construction Time-Lapse Camera video feed. (*INFORMATION*)

John Michael and Jerry Kramer presented and updated on Memorial Medical Center Demolition.

D. Improvements To Former Memorial Medical Center Campus:

1. Receive information on and discuss timeline relating to the Hospital District's planned improvements to the former Memorial Medical Center campus located at 2606 Hospital Boulevard, Corpus Christi, Texas, the District's related planned issuance and sale of Certificates of Obligation, Series 2023, and related matters. (*INFORMATION*)

Victor Quiroga updated information, relating to the Hospital District's planned improvement to former MMC

**MINUTES
BOARD OF MANAGERS
REGULAR MEETING
MAY 23, 2023**

**re: related planned issuance and sale of
Certificates of Obligation, Series 2023 and related matters.**

E. FEMA COVID-19 Pandemic Cost Recovery Application:

1. Receive notice of FEMA's first-level denial of Application #674808 appeal relating to the Hospital District's recovery of Social Determinants of Health Study costs incurred during the COVID-19 Pandemic. **(INFORMATION)**

Item 7. E. to be discussed in close session.

F. Other Business:

1. Discuss and consider nominating candidates to the Texas Conference of Urban Counties for consideration of appointment to the following Advisory Committees of the Tobacco Settlement Permanent Trust Account for the term September 1, 2023 - August 31, 2029:
 - a. Investment Advisory Committee; and
 - b. Administrative Advisory Committee. **(ACTION)**

Item 7. F. (a) Board nominated Mr. Valls for Investment Advisory Committee. Motion by Mr. Granado and seconded by Ms. Flores. MOTION CARRIED.

Item 7. F. (b) Board nominated Mr. Hipp for Administrative Advisory Committee. Motion by Mr. Granado and seconded by Judge Garza. MOTION CARRIED.

2. Receive information on opioid-related case settlement with Allergan in *Nueces County Hospital District vs. Purdue Pharma, Inc., et al.*, MDL PRETRIAL CAUSE NO. 2018-63587, in the 152d District Court of Harris County, Texas. **(INFORMATION)**
3. Receive information on the Texas Statewide Opioid Settlement Initiative. **(INFORMATION)**

MINUTES
BOARD OF MANAGERS
REGULAR MEETING
MAY 23, 2023

7. ADMINISTRATOR'S BRIEFING:

- A. Execution of Letter Agreement with John B. Martinez for General Counsel Services. **(INFORMATION)**
- B. Execution of lease with ERF Tower II Incorporated for administrative office space at 555 N. Carancahua Street, Corpus Christi, Texas. **(INFORMATION)**
- C. Execution of Investment Advisory Agreement with Meeder Public Funds Inc. for non-discretionary investment management services. **(INFORMATION)**
- D. Next scheduled Board of Managers and Board Committee regular meetings (all meetings' dates, times, and locations are subject to change):
1. Finance Committee: Tuesday, June 27, 2023, 11:15 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;
 2. Legislative Committee: Tuesday, June 27, 2023, 11:45 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;
 3. Board of Managers: Tuesday, June 27, 2023, 12 Noon in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401; and
 4. CANCELLED - Special Board of Managers Meeting: Tuesday, June 20, 2023, 3:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. **THIS MEETING HAS BEEN CANCELLED - TO BE RESCHEDULED. (INFORMATION)**

8. **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.

**MINUTES
BOARD OF MANAGERS
REGULAR MEETING
MAY 23, 2023**

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 shown.

A. Consult with attorneys on matters relating to *Nueces County Hospital District vs. Purdue Pharma, Inc., et al.*, MDL PRETRIAL CAUSE NO. 2018-63587, in the 152d

District Court of Harris County, Texas, and related matters, pursuant to Open Meetings Act, §551.071.

B. Consult with attorneys on matters related to improvements to the former Memorial Medical Center campus located at 2606 Hospital Boulevard, Corpus Christi, Texas, and related matters, pursuant to Open Meetings Act, §551.072.

C. Consult with attorneys on matters relating to FEMA's first-level denial of Hospital District's Application #674808 appeal, and related matters, pursuant to Open Meetings Act, §551.071.

Mr. Valls, Chairman called for Close session at 1:12 p.m.

9. **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.

Mr. Valls, Chairman called for Open session at 2:22 p.m.

A. Consider final action, decision, or vote on matters considered in the Closed Meeting:

1. Adopt Board of Managers Resolution authorizing the Administrator to execute Settlement participation and release documents and/or forms relating to settlement offers in the matter of Texas opioid multi-district litigation for the Hospital District in the matter of *Nueces County Hospital District v. Purdue Pharma, Inc., et al.*, MDL PRETRIAL CAUSE NO. 2018-63587, in the 152d District Court of Harris County, Texas. (**ACTION**)

**Motion by Mr. Granado and seconded by Judge Garza.
MOTION CARRIED.**

**MINUTES
BOARD OF MANAGERS
REGULAR MEETING
MAY 23, 2023**

2. Authorize the Administrator to submit one of the following responses to FEMA with regard to its first-level denial of Application #674808 appeal concerning the Hospital District's recovery of Social Determinants of Health Study costs incurred during the COVID-19 Pandemic; both optional responses below authorized by Section 423, Stafford Act (Public Law 93-288), as amended:

- a. Second-Level Appeal; or
- b. Request for Arbitration in lieu of Second-Level Appeal. (*ACTION*)

**Motion by Mr. Granado and seconded by Dr. Reddy.
MOTION CARRIED.**

3. If the Request for Arbitration in lieu of Second-Level Appeal is approved in agenda item 10.A.2 above, authorize the Administrator to engage legal counsel to represent the Hospital District in the Arbitration proceedings. (*ACTION*)

**Motion by Mr. Granado and seconded by Mr. Guerrero.
MOTION CARRIED.**

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

As per Mr. Valls, Chairman, action was just taken.

10. ADJOURN

Motion adjourn by Mr. Valls, Chairman at 2:24 p.m.

**MINUTES
BOARD OF MANAGERS
REGULAR MEETING
MAY 23, 2023**

PRESIDING OFFICER:

John E. Valls, MBA, Chairman

ATTEST:

Jonny F. Hipp, Secretary
Board of Managers
Nueces County Hospital District

Nueces County Hospital District
Vendor Information List - Additional Vendors-Conflict of Interest Disclosure

<u>Vendor ID</u>	<u>Vendor Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>ZIP</u>
2095	Valls, John E.	5711 S. Oso Parkway	Corpus Christi	TX	78414
2096	Above All the Rest Moving	7469 Skyking Drive	Corpus Christi	TX	78412
2097	Vest, Larry	1922 Sunnycrest Street	Corpus Christi	TX	78418
2098	Martinez Reilly, PLLC	310 Bayshore Dr	Corpus Christi	TX	78412

Nueces County Hospital District
 County Health Care Department Expenditures
 Cash Disbursements Relating to
 Fiscal Year 2023

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Fiscal 2023 YTD	Budget 2023	Balance
County Healthcare Services															
Health Dept - County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00	2,000,000.00
Emergency Medical Services	0.00	0.00	0.00	116,100.00	0.00	0.00	0.00	120,000.00	0.00	0.00	0.00	0.00	236,100.00	650,000.00	413,900.00
NC MHID - Fund Matching	0.00	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	0.00	0.00	0.00	484,560.00	969,129.00	484,569.00
NC MHID - Jail Programs	0.00	176,813.03	237,980.34	276,362.77	258,650.19	282,603.06	227,446.06	252,547.50	0.00	0.00	0.00	0.00	1,712,402.95	3,018,000.00	1,305,597.05
Mental Healthcare Services Dept	6,767.47	223.93	104,143.47	0.00	0.00	25.09	0.00	0.00	0.00	0.00	0.00	0.00	111,159.96	273,000.00	161,840.04
NC Juvenile Center	19,477.57	20,679.73	58,982.51	39,737.05	89,111.88	60,047.64	52,844.11	72,219.51	0.00	0.00	0.00	0.00	413,100.00	474,000.00	60,900.00
Nueces County Jail Services	353,224.55	353,224.55	353,224.55	422,223.53	376,454.17	376,542.38	403,860.59	375,753.52	0.00	0.00	0.00	0.00	3,014,507.84	4,478,695.00	1,464,187.16
Centikor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60,000.00	60,000.00
Council on Alcohol & Drug Abuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	50,000.00
Diabetes Program - County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	50,000.00
HALO-Flight Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	0.00	0.00	0.00	0.00	15,000.00	15,000.00	0.00
County Public Health Grants	0.00	0.00	85,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85,000.00	170,000.00	85,000.00
Totals	379,469.59	550,941.24	839,330.87	1,096,703.35	724,216.24	719,218.17	926,430.76	835,520.53	0.00	0.00	0.00	0.00	6,071,830.75	12,207,824.00	6,135,993.25

**Nueces County Hospital District
Imputed Claims Experience for Calendar Year 2023
As if Adjudicated January 1, 2023 through May 31, 2023**

Service	Claims	Billed	Contract Amt.	Co Insurance	Net
ER	1,707	9,457,420	1,276,187	44,238	1,231,949
ASU	295	5,969,660	643,222	20,704	622,518
Clinic	5,846	6,605,477	1,817,759	74,590	1,743,169
Obs	46	1,436,318	299,399	7,792	291,607
OP	4,778	18,261,190	4,516,184	274,742	4,241,442
Subtotal	12,672	41,730,065	8,552,751	422,066	8,130,685
IP	217	21,475,685	1,022,797	23,301	999,496
SNF	-				-
RX	49,729	20,062,433	7,703,478	223,231	7,480,247
Physician	12,295	5,534,296	1,689,316	63,373	1,625,943
Total	74,913	88,802,479	18,968,342	731,971	18,236,371

NOTE:

The Revised and Restated Indigent Care Agreement was terminated effective September 30, 2012. After that date, the District no longer makes payment to CHRISTUS Spohn for providing health care services to the Nueces Aid Indigent population. Under the terms of the Membership Agreement amended and restated effective November 18, 2015, CHRISTUS Spohn has committed to continue to provide health care services to the Nueces Aid Indigent population and, and at the request of the District, continues to submit informational claims to the District to permit the District to monitor the volume of health care services furnished to the Nueces Aid Indigent population.

Nueces County Hospital District
 Spohn Corporate Member Revenue Analysis
 Fiscal Year 2023

Member Revenue % 7.0%

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
<u>Membership Revenue Deposits</u>													
Week 1	432,839.19	611,792.22	634,393.97	392,942.03	511,190.69	765,202.67	452,054.94	746,936.88	398,005.84				4,945,358.43
Week 2	554,299.98	565,185.73	550,363.71	538,528.20	585,771.56	597,840.20	600,965.15	525,260.61	483,770.54				5,001,985.68
Week 3	601,467.77	627,556.90	513,594.51	589,275.06	461,070.05	512,405.44	529,949.58	668,150.86	607,264.03				5,110,734.20
Week 4	528,903.71	439,440.47	642,640.85	525,129.11	514,988.48	630,243.69	608,842.81	709,108.18					4,599,297.30
Week 5				574,994.53		556,964.35							1,131,958.88
Subtotal	2,117,510.65	2,243,975.32	2,340,993.04	2,620,868.93	2,073,020.78	3,062,656.35	2,191,812.48	2,649,456.53	1,489,040.41	0.00	0.00	0.00	20,789,334.49

Nueces County Hospital District
 Nueces LPPF Activity
 Fiscal Year 2023

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balan	21,552,873.57	42,028,688.29	28,342,155.37	28,679,061.23	28,584,342.66	27,893,368.68	27,729,787.30	27,812,165.28	48,465,838.54	57,513,572.29	57,513,572.29	57,513,572.29	21,552,873.57
Deposits													
Christus Spohn	8,593,003.25	8,593,003.25			8,593,003.25			8,593,003.25	8,593,003.25				42,965,016.25
CCMC	5,715,374.00	5,715,374.00			5,715,374.00			5,715,374.00					22,861,496.00
CC Rehab	261,256.50		261,256.50		261,256.50			261,256.50					1,045,026.00
Driscoll	4,689,720.50	4,689,720.50			4,689,720.50			4,689,720.50					18,758,882.00
PAM Specialty	341,892.50	341,892.50			341,892.50			341,892.50					1,367,570.00
PAM Rehab	340,715.25	340,715.25			340,715.25			340,715.25					1,362,861.00
S. TX Surgical	604,730.50	604,730.50			604,730.50			604,730.50	604,730.50				3,023,652.50
Subtotal	20,546,692.50	20,285,436.00	261,256.50	0.00	20,546,692.50	0.00	0.00	20,546,692.50	9,197,733.75	0.00	0.00	0.00	91,384,503.75
Interest	79,122.22	65,114.16	75,649.36	78,102.36	28,869.96	84,069.36	82,377.98	106,980.76					600,286.16
Transfers In													0.00
Total Deposits	20,625,814.72	20,350,550.16	336,905.86	78,102.36	20,575,562.46	84,069.36	82,377.98	20,653,673.26	9,197,733.75	0.00	0.00	0.00	91,984,789.91
Inter-Governmental Transfers													
UC					(21,266,536.44)	(247,650.74)							(21,514,187.18)
DSRIP				(172,820.93)									(172,820.93)
CHIRP		(33,564,840.35)											(33,564,840.35)
TIPPS		(472,242.73)											(472,242.73)
DSH													0.00
UHRIP													0.00
Total IGT's	0.00	(34,037,083.08)	0.00	(172,820.93)	(21,266,536.44)	(247,650.74)	0.00	0.00	0.00	0.00	0.00	0.00	(55,724,091.19)
Transfers Out	(150,000.00)								(150,000.00)				(300,000.00)
Bank Fees													0.00
Ending Balance	42,028,688.29	28,342,155.37	28,679,061.23	28,584,342.66	27,893,368.68	27,729,787.30	27,812,165.28	48,465,838.54	57,513,572.29	57,513,572.29	57,513,572.29	57,513,572.29	57,513,572.29

Nueces County Hospital District
 Medicaid Payment Programs/Directed Payment Programs
 Estimated Provider Payments & IGT History
 FY2012 to Present

Provider	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	TOTALS	
Christus Spohn - Corpus Christi	393,023,597	513,477,784	266,337,286	55,407,073	127,352,092	54,737,093	3,695,883	1,414,030,808	51%
Christus Spohn Rural (Alice/Beeville/Kleberg)	48,398,858	190,540,599	0	14,881,126	0	13,316,178	0	267,136,761	10%
Corpus Christi Medical Center	121,850,134	150,371,700	0	47,953,129	0	81,469,339	0	401,644,302	14%
Driscoll Childrens Hospital	314,822,705	21,671,406	0	0	0	257,473,610	479,717	594,447,438	21%
Detar Hospital	24,949,804	47,723,156	0	15,297,365	0	0	0	87,970,325	3%
North Bay General Hospital	0	0	0	503,238	0	0	0	503,238	0%
South Texas Surgical Hospital	0	0	0	902,639	0	0	0	902,639	0%
Corpus Chrisit Rehab Hospital	0	0	0	296,670	0	0	0	296,670	0%
PAM Specialty Hospital	0	0	0	1,330	0	0	0	1,330	0%
PAM Rehab Hospital	0	0	0	147,501	0	0	0	147,501	0%
Nueces County Health Dept	21,809,410	0	0	0	0	0	0	21,809,410	1%
TOTALS	924,854,508	923,784,645	266,337,286	135,390,071	127,352,092	406,996,220	4,175,601	2,788,890,422	100%

* Estimated Receipts for Entities (IGT + FMAP), Subject to HHSC Review and Administrative Fees

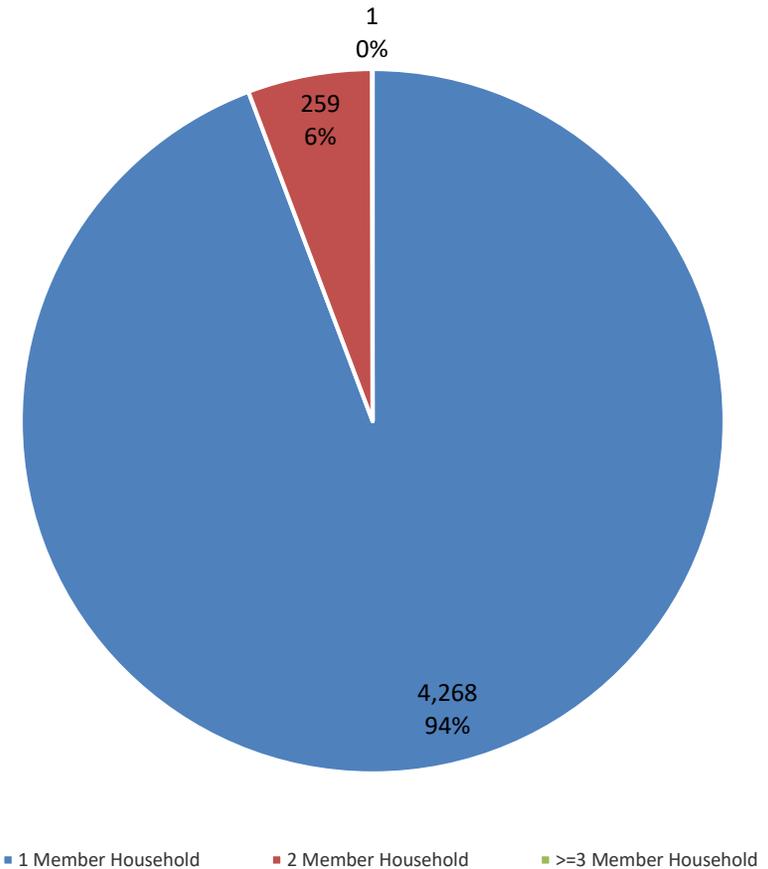
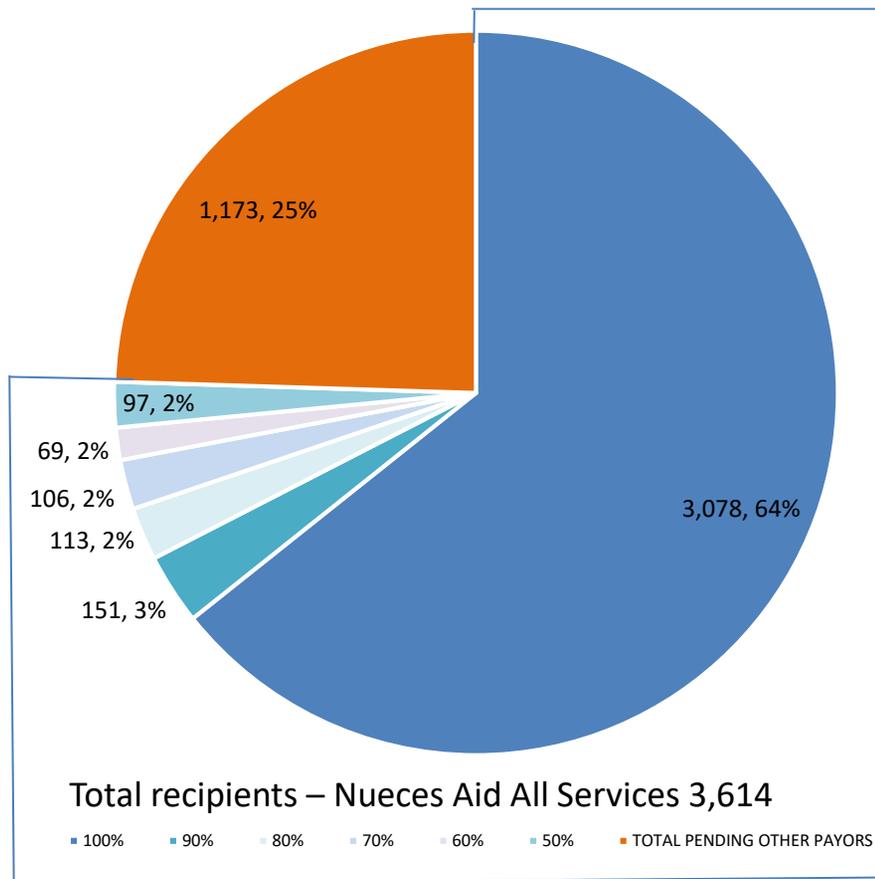
IGT Source	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	TOTALS
Nueces County Hospital District	338,074,018	302,738,784	94,238,755	59,112,085	50,049,777	0	0	844,213,419
Nueces LPPF	27,902,997	57,780,091	7,478,253	0	0	149,458,340	1,777,123	244,396,804
TOTALS	365,977,014	360,518,875	101,717,008	59,112,085	50,049,777	149,458,340	1,777,123	1,088,610,223

May 2023

Nueces Aid Program Enrollment

Total Enrolled
4,787

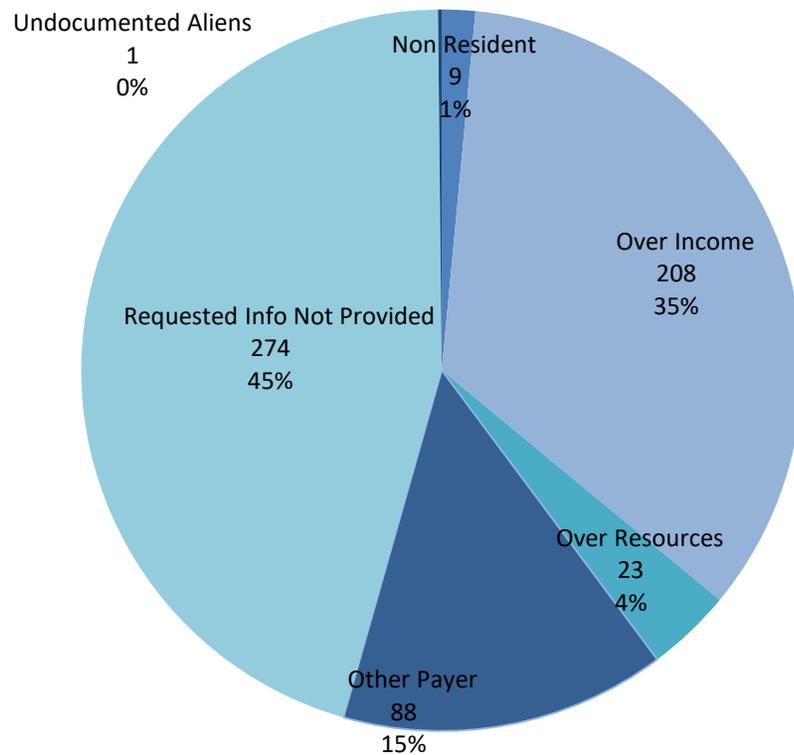
Total Households
4,528



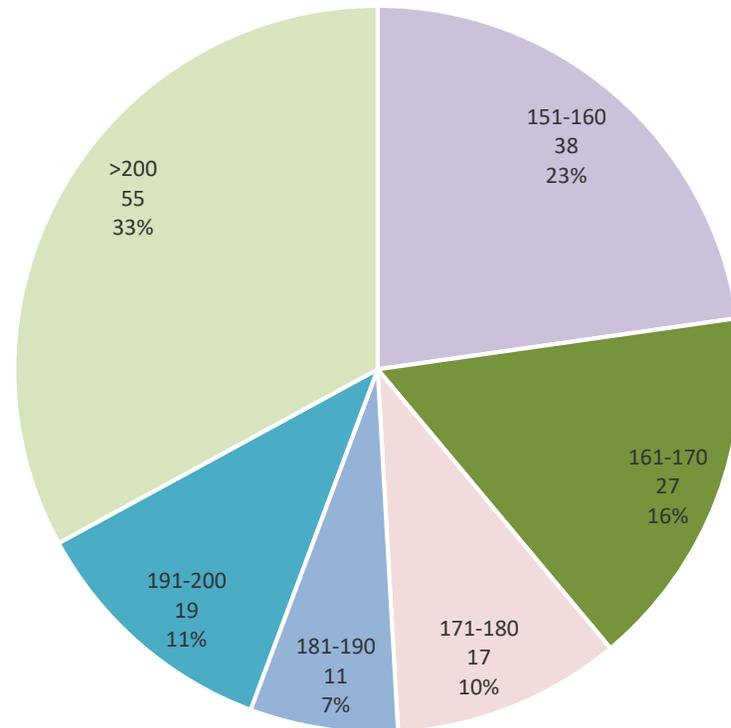
NUECES AID DENIALS

Calendar Year 2023
January-May

Denial Reasons



Comparison of Over Income Case to 2023 HHS Poverty Guidelines



**Nueces Aid Program
Application Processing Summary Calendar Year 2023**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2023	Comments
TOTAL APPLICATIONS	923	759	958	821	874								4,335	
- Approved	789	653	844	696	750								3,732	
%	85.5%	86.0%	88.1%	84.8%	85.8%								86.1%	Since FY 1999, the denial rate is based on all denied individuals in the household.
- Denied	134	106	114	125	124								603	
%	14.5%	14.0%	11.9%	15.2%	14.2%								13.9%	
APPROVALS BY PLAN TYPE														
NUECES AID - All Services														
100%	551	446	596	463	531								2,587	
%	69.8%	68.3%	70.6%	66.5%	70.8%								69.3%	
90%	27	24	24	27	23								125	
%	3.4%	3.7%	2.8%	3.9%	3.1%								3.3%	
80%	20	21	20	16	13								90	
%	2.5%	3.2%	2.4%	2.3%	1.7%								2.4%	
70%	17	15	17	16	15								80	The percentage of approvals by plan option is calculated by dividing the number for each plan option by the total number of approved applications.
%	2.2%	2.3%	2.0%	2.3%	2.0%								2.1%	
60%	11	18	7	11	12								59	
%	1.4%	2.8%	0.8%	1.6%	1.6%								1.6%	
50%	19	11	21	22	15								88	
%	2.4%	1.7%	2.5%	3.2%	2.0%								2.4%	
TOTAL	645	535	685	555	609								3,029	
%	81.7%	81.9%	81.2%	79.7%	81.2%								81.2%	
HOUSEHOLDS BY SIZE - APPROVED														
1 Member Household	690	599	732	622	675								3,318	The percentage for each size household is calculated by dividing the number of households in the category by the total number of approved households.
%	93.2%	95.7%	92.8%	94.4%	94.7%								94.1%	
2 Member Household	50	27	56	37	38								208	
%	6.8%	4.3%	7.1%	5.6%	5.3%								5.9%	
3 or > Member Household	0	0	1	0	0								1	Households pending other payors are not included.
%	0.0%	0.0%	0.1%	0.0%	0.0%								0.0%	
TOTAL HOUSEHOLDS APPROVED	740	626	789	659	713								3,527	

**Nueces Aid Program
Application Processing Summary Calendar Year 2023**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2023	Comments
NCHD DENIALS - Reasons for Denials														
Non Resident	1	0	2	4	2								9	The percentage for each denial reason is calculated by dividing the number of individuals for each reason by the total number of individuals denied.
%	0.7%	0.0%	1.8%	3.2%	1.6%								1.5%	
Over Income	57	49	34	34	34								208	
%	42.5%	46.2%	29.8%	27.2%	27.4%								34.5%	
Over Resources	6	2	6	7	2								23	
%	4.5%	1.9%	5.3%	5.6%	1.6%								3.8%	
Other Payer	27	13	12	17	19								88	
%	20.1%	12.3%	10.5%	13.6%	15.3%								14.6%	
Requested Info Not Provided	43	42	60	63	66								274	
%	32.1%	39.6%	52.6%	50.4%	53.2%								45.4%	
Undocumented Aliens	0	0	0	0	1								1	Note: UA code eff 08/01/01
%	0.0%	0.0%	0.0%	0.0%	0.8%								0.2%	
TOTAL DENIALS	134	106	114	125	124								603	
HOUSEHOLDS BY SIZE - DENIED														
1 Member Household	99	86	88	98	100								471	The denial percentage for each size household is calculated by dividing the number for each household size by the total number of denied households.
%	83.2%	89.6%	87.1%	87.5%	89.3%								87.2%	
2 Member Household	16	10	13	14	12								65	
%	13.4%	10.4%	12.9%	12.5%	10.7%								12.0%	
3 or > Member Household	4	0	0	0	0								4	Households pending other payors are not included.
%	3.4%	0.0%	0.0%	0.0%	0.0%								0.7%	
TOTAL HOUSEHOLDS DENIED	119	96	101	112	112								540	
PENDING APPLICATIONS														
Pending documentation	91	93	102	85	79								90	The YTD number for incomplete applications is the average of the monthly incomplete applications.
TANF	8	5	18	16	11								11	
SSI-SSID	63	58	75	66	58								58	
Other Payor	73	55	66	59	72								72	

**NCHD
Eligibility History**

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg
2018														
NCHD	5,630	5,708	5,674	5,613	5,471	5,481	5,492	5,438	5,396	5,467	5,673	5,235	66,278	5,523
Pend	1,488	1,483	1,398	1,386	1,349	1,336	1,324	1,317	1,337	1,327	1,313	1,270	16,328	1,361
Total	7,118	7,191	7,072	6,999	6,820	6,817	6,816	6,755	6,733	6,794	6,986	6,505	82,606	6,884
% of PY	97%	99%	97%	96%	93%	93%	93%	94%	94%	94%	98%	93%	95%	95%
2019														
NCHD	5,277	5,181	5,075	5,024	4,957	4,961	4,996	4,943	4,970	5,064	4,944	4,821	60,213	5,018
Pend	1,294	1,260	1,289	1,305	1,274	1,281	1,330	1,356	1,339	1,357	1,330	1,277	15,692	1,308
Total	6,571	6,441	6,364	6,329	6,231	6,242	6,326	6,299	6,309	6,421	6,274	6,098	75,905	6,325
% of PY	92%	90%	90%	90%	91%	92%	93%	93%	94%	95%	90%	94%	92%	92%
2020														
NCHD	4,963	4,955	4,903	4,731	5,132	4,698	4,198	3,660	3,260	3,604	3,752	3,868	51,724	4,310
Pend	1,268	1,243	1,218	1,141	1,187	1,106	1,043	968	861	899	923	945	12,802	1,067
Total	6,231	6,198	6,121	5,872	6,319	5,804	5,241	4,628	4,121	4,503	4,675	4,813	64,526	5,377
% of PY	95%	96%	96%	93%	101%	93%	83%	73%	65%	70%	75%	79%	85%	85%
2021														
NCHD	3,806	3,678	3,567	3,521	3,667	3,852	3,953	4,080	4,142	4,091	3,948	3,863	46,168	3,847
Pend	932	921	922	964	981	1,014	1,052	1,028	1,039	1,060	1,070	1,076	12,059	1,005
Total	4,738	4,599	4,489	4,485	4,648	4,866	5,005	5,108	5,181	5,151	5,018	4,939	58,227	4,852
% of PY	76%	74%	73%	76%	74%	84%	95%	110%	126%	114%	107%	103%	90%	90%
2022														
NCHD	3,781	3,711	3,738	3,755	3,805	3,869	3,910	3,945	4,042	3,987	3,884	3,785	46,212	3,851
Pend	1,093	1,061	1,110	1,113	1,144	1,150	1,147	1,183	1,191	1,191	1,181	1,171	13,735	1,145
Total	4,874	4,772	4,848	4,868	4,949	5,019	5,057	5,128	5,233	5,178	5,065	4,956	59,947	4,996
% of PY	103%	104%	108%	109%	106%	103%	101%	100%	101%	101%	101%	100%	103%	103%
2023														
NCHD	3,767	3,186	3,727	3,611	3,614								17,905	3,581
Pend	1,145	1,677	1,148	1,157	1,173								6,300	1,260
Total	4,912	4,863	4,875	4,768	4,787	-	-	-	-	-	-	-	24,205	4,841
% of PY	101%	102%	101%	98%	97%	0%	0%	0%	0%	0%	0%	0%	40%	97%



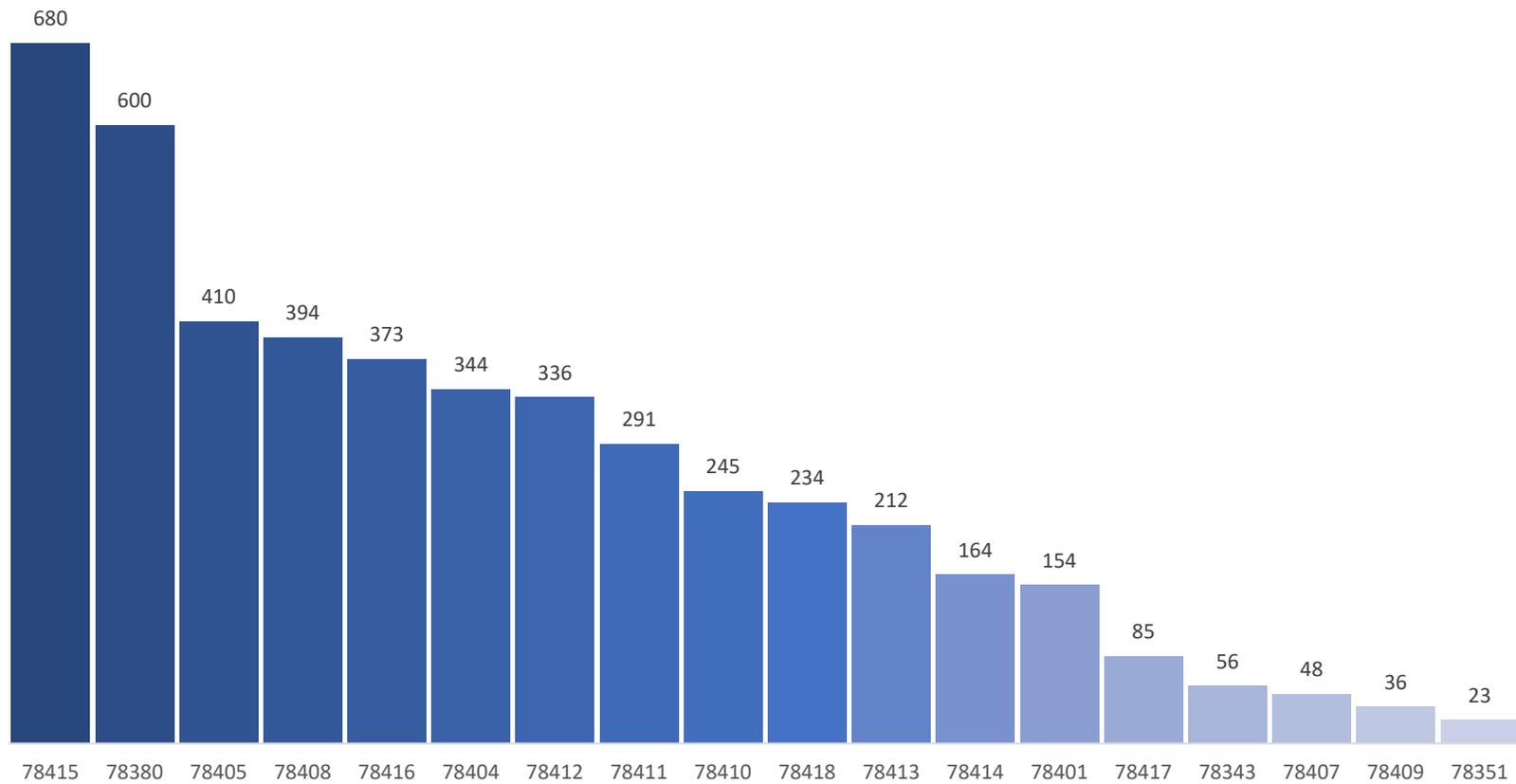
**Annual Comparative Enrollment Report
Calendar Year 2023**

Month	Enrollment		Increase/(Decrease)	
	2023	2022	%	Enrollees
Jan	4,912	4,874	0.78%	38
Feb	4,863	4,772	1.91%	91
Mar	4,875	4,848	0.56%	27
Apr	4,768	4,868	-2.05%	-100
May	4,787	4,949	-3.27%	-162
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				



Nueces County Hospital District

Enrollment by Zipcode as of May 2023

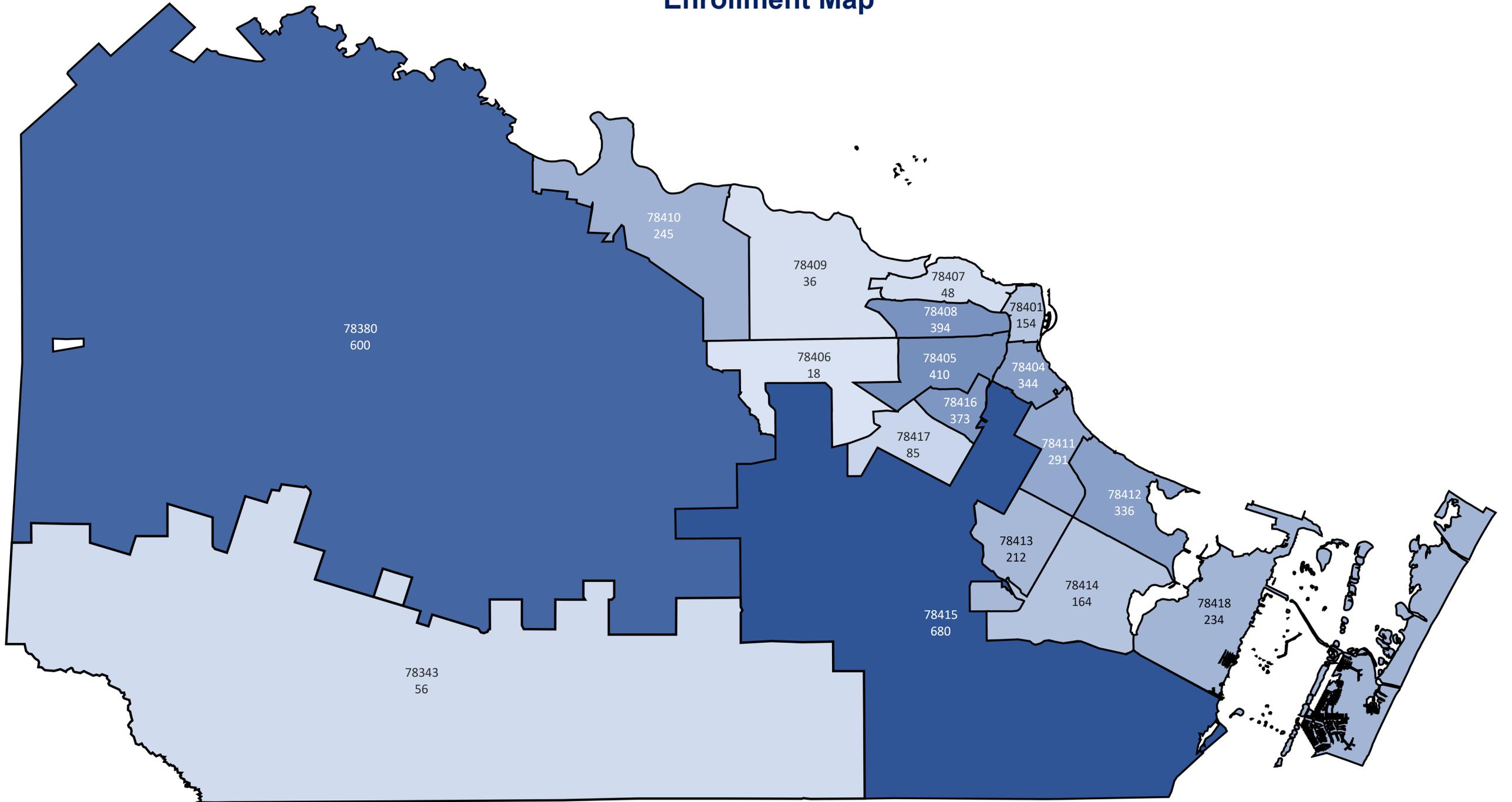


**Nueces County Hospital District
Enrollment by Zip Code
As of 5/31/2023**

Zip Code	Description	Members	% to Total
78415	CC:FM 665 to CR 61 to County Line to Weber & Crosstown	680	14%
78380	Robstown	600	13%
78405	CC:19th to Port Ave to Agnes, includes HPG	410	9%
78408	CC:Hwy 358 to Lipan Between I-37 & Agnes	394	8%
78416	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	373	8%
78404	CC:Six Points	344	7%
78412	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	336	7%
78411	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	291	6%
78410	CC:Annville and Calallen	245	5%
78418	CC:Flour Bluff	234	5%
78413	CC:Weber to Holly rd to So Staples to Oso Pkwy	212	4%
78414	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	164	3%
78401	CC:Downtown and Cargo Docks	154	3%
78417	CC:Old Brownsville to Ayers to Saratoga	85	2%
78343	Bishop + FM 665 to CR 107 W to CR 57E	56	1%
78407	CC: I-37 Up River Rd to South Port Ave to Joe Fulton Corridor	48	1%
78409	CC:Hwy 44 to Up River Rd to Rand Morgan E to Hwy 358	36	1%
78351	Driscoll	23	0%
	Subtotal	4,685	98%
	Total	4,787	



Nueces County Hospital District Enrollment Map



**Texas Department of State Health Services
Tobacco Settlement Distribution Program**

2023 Pro Rata Distribution		
Tobacco Settlement Payee	2022 Unreimbursed Health Care Expenditures	2023 Distribution
City of Seguin	\$2,477,777.16	\$45,871.69
Subtotal, City	\$2,477,777.16	\$45,871.69
Anderson County	\$1,075,130.85	\$19,904.16
Angelina County	\$3,566,194.18	\$66,021.83
Aransas County	\$1,571,282.32	\$29,089.53
Archer County	\$210,086.04	\$3,889.37
Armstrong County -- Reported zero expenditures	\$0.00	\$0.00
Atascosa County	\$3,180,441.96	\$58,880.30
Austin County	\$2,964,264.04	\$54,878.15
Bailey County	\$1,020,772.29	\$18,897.81
Bandera County	\$1,274,680.59	\$23,598.47
Bastrop County	\$2,362,032.69	\$43,728.89
Bee County	\$822,338.85	\$15,224.16
Bell County	\$13,974,892.68	\$258,720.61
Blanco County	\$160,956.00	\$2,979.82
Borden County	\$8,632.81	\$159.82
Bowie County	\$6,385,830.68	\$118,222.45
Brazoria County	\$8,839,997.16	\$163,657.03
Brazos County	\$5,911,676.20	\$109,444.31
Briscoe County	\$3,556.08	\$65.83
Brooks County	\$305,534.70	\$5,656.44
Brown County	\$1,114,190.79	\$20,627.29
Burnet County	\$2,206,914.37	\$40,857.15
Caldwell County	\$1,665,230.67	\$30,828.82
Calhoun County	\$3,624,724.72	\$67,105.42
Callahan County	\$471,081.27	\$8,721.24
Cameron County	\$9,753,092.50	\$180,561.39
Camp County	\$153.13	\$2.83
Carson County	\$190,904.81	\$3,534.27
Cass County	\$647,992.98	\$11,996.45
Chambers County	\$7,623,327.29	\$141,132.52
Cherokee County	\$760,461.34	\$14,078.61
Clay County	\$1,408,122.24	\$26,068.91
Collin County	\$21,311,130.70	\$394,538.18
Colorado County	\$2,546,398.98	\$47,142.11
Comal County	\$6,110,618.15	\$113,127.37
Comanche County	\$141,862.45	\$2,626.33
Coryell County	\$1,349,295.35	\$24,979.84
Cottle County	\$417,521.37	\$7,729.68
Crockett County	\$4,007,836.48	\$74,198.06
Crosby County	\$8,382.76	\$155.19
Delta County	\$72,175.60	\$1,336.20
Denton County	\$20,585,616.81	\$381,106.56
DeWitt County	\$543,089.71	\$10,054.35
Dickens County	\$48,634.40	\$900.38
Duval County	\$109,839.95	\$2,033.49
Eastland County	\$575,722.73	\$10,658.50
Edwards County	\$425,520.90	\$7,877.77
Ellis County	\$4,390,423.52	\$81,280.99
Erath County	\$2,602,071.10	\$48,172.78
Falls County	\$629,554.42	\$11,655.10
Fannin County	\$1,398,510.10	\$25,890.96
Fayette County	\$3,234,461.04	\$59,880.37
Fort Bend County	\$27,002,556.11	\$499,904.93
Franklin County	\$241,780.45	\$4,476.14
Freestone County	\$509,149.31	\$9,426.01

**Texas Department of State Health Services
Tobacco Settlement Distribution Program**

2023 Pro Rata Distribution		
Tobacco Settlement Payee	2022 Unreimbursed Health Care Expenditures	2023 Distribution
City of Seguin	\$2,477,777.16	\$45,871.69
Gaines County	\$1,213,094.42	\$22,458.31
Galveston County	\$18,581,295.33	\$344,000.07
Gillespie County	\$1,340,707.95	\$24,820.85
Glasscock County	\$190,275.06	\$3,522.61
Goliad County	\$1,028,197.22	\$19,035.27
Gonzales County	\$20,386.14	\$377.41
Gray County	\$460,062.32	\$8,517.25
Grayson County	\$3,644,309.75	\$67,468.00
Gregg County	\$3,179,906.81	\$58,870.39
Grimes County	\$845,698.81	\$15,656.63
Guadalupe County	\$2,914,045.38	\$53,948.44
Hale County	\$1,083,057.87	\$20,050.92
Hamilton County	\$34,614.95	\$640.84
Hardin County	\$680,262.50	\$12,593.87
Harrison County	\$2,176,618.36	\$40,296.27
Hays County	\$7,373,649.56	\$136,510.18
Henderson County	\$9,249,114.48	\$171,231.12
Hidalgo County	\$17,193,215.33	\$318,302.20
Hill County	\$797,707.85	\$14,768.16
Hockley County	\$1,528,240.75	\$28,292.69
Howard County	\$1,217,525.70	\$22,540.35
Hudspeth County	\$554,394.59	\$10,263.64
Irion County	\$77,827.99	\$1,440.85
Jasper County	\$979,662.91	\$18,136.74
Jeff Davis County	\$562,574.54	\$10,415.08
Jefferson County	\$16,244,712.45	\$300,742.34
Jim Hogg County	\$250,958.64	\$4,646.06
Jim Wells County	\$1,087,151.70	\$20,126.71
Johnson County	\$5,421,517.53	\$100,369.88
Jones County	\$184,181.70	\$3,409.80
Kaufman County	\$2,637,611.74	\$48,830.75
Kendall County	\$1,304,664.57	\$24,153.57
Kenedy County	\$31,901.00	\$590.59
Kent County	\$2,740,678.85	\$50,738.86
Kerr County	\$1,885,730.99	\$34,911.00
King County -- Reported zero expenditures	\$0.00	\$0.00
Kinney County	\$1,912,275.86	\$35,402.43
Kleberg County	\$659,340.55	\$12,206.53
La Salle County	\$3,464,676.44	\$64,142.40
Lamar County	\$1,798,979.91	\$33,304.96
Lamb County	\$1,579,388.22	\$29,239.60
Lampasas County	\$293,114.54	\$5,426.50
Lavaca County	\$29,499.73	\$546.14
Lee County	\$743,067.91	\$13,406.08
Leon County	\$154,725.23	\$2,864.47
Liberty County	\$2,893,426.77	\$53,566.72
Limestone County	\$656,736.80	\$12,158.33
Live Oak County	\$1,131,259.99	\$20,943.29
Llano County	\$810,287.86	\$15,001.06
Loving County	\$785,805.22	\$14,547.80
Madison County	\$337,907.72	\$6,255.77
Mason County	\$796,285.06	\$14,741.82
McLennan County	\$14,583,913.21	\$269,995.55
McMullen County	\$662,976.15	\$12,273.84
Milam County	\$897,935.01	\$16,623.69

**Texas Department of State Health Services
Tobacco Settlement Distribution Program**

2023 Pro Rata Distribution			
Tobacco Settlement Payee	2022 Unreimbursed Health Care Expenditures	2023 Distribution	
City of Seguin	\$2,477,777.16	\$45,871.69	
Mills County	\$318,094.81	\$5,888.97	
Montague County	\$368,907.94	\$6,829.68	
Morris County	\$113,603.53	\$2,103.17	
Navarro County	\$1,436,515.60	\$26,594.56	
Newton County	\$396,551.30	\$7,341.45	
Oldham County	\$26,919.92	\$498.38	
Orange County	\$2,057,250.89	\$38,086.39	
Panola County	\$1,905,565.09	\$35,278.19	
Pecos County	\$16,945,037.72	\$313,707.63	
Polk County	\$884,103.64	\$16,367.63	
Rains County	\$144,201.73	\$2,669.64	
Randall County	\$2,340,010.21	\$43,321.18	
Real County	\$101,681.69	\$1,882.46	
Red River County	\$520,370.58	\$9,633.75	
Roberts County	\$3,232.12	\$59.84	
Robertson County	\$422,142.31	\$7,815.22	
Rockwall County	\$2,151,880.90	\$39,838.30	
Runnels County	\$99,613.66	\$1,844.17	
Rusk County	\$387,381.57	\$7,171.69	
San Jacinto County	\$668,033.70	\$12,367.47	
San Patricio County	\$2,473,182.47	\$45,786.63	
San Saba County	\$552,270.95	\$10,224.33	
Shelby County	\$430,367.63	\$7,967.50	
Smith County	\$5,802,524.49	\$107,423.56	
Sterling County	\$1,483,360.70	\$27,461.82	
Taylor County	\$6,069,611.46	\$112,368.20	
Terrell County	\$332,689.79	\$6,159.17	
Throckmorton County	\$1,073,410.00	\$19,872.30	
Tom Green County	\$5,000,545.90	\$92,576.33	
Trinity County	\$145,215.55	\$2,688.41	
Upshur County	\$360,896.73	\$6,681.37	
Uvalde County	\$4,291,918.42	\$79,457.34	
Van Zandt County	\$587,734.74	\$10,880.88	
Victoria County	\$2,551,591.25	\$47,238.23	
Waller County	\$1,160,425.66	\$21,483.24	
Ward County	\$3,279,704.53	\$60,717.97	
Washington County	\$2,116,327.93	\$39,180.10	
Webb County	\$7,666,985.07	\$141,940.77	
Wharton County	\$676,263.50	\$12,519.83	
Wichita County	\$5,520,722.95	\$102,206.49	
Williamson County	\$24,446,416.66	\$452,582.49	
Wise County	\$4,363,047.81	\$80,774.17	
Wood County	\$539,569.19	\$9,989.18	
Yoakum County	\$1,590,087.11	\$29,437.67	
Young County	\$478,963.33	\$8,867.17	
Zapata County	\$3,074,499.78	\$56,918.97	
Zavala County	\$380,859.31	\$7,050.94	
Subtotal Counties	\$442,014,098.36	\$8,182,764.68	HOSP. DIST. RANKS
Amarillo Hospital District	\$21,861,683.00	\$404,730.69	15
Andrews County Hospital District	\$27,500,018.05	\$509,114.56	13
Angleton-Danbury Hospital District	\$6,578,868.11	\$121,796.20	35
Ballinger Memorial Hospital District	\$1,268,440.98	\$23,482.96	97
Baylor County Hospital District	\$1,119,688.53	\$20,729.07	107
Bellville General Hospital District	\$1,719,148.00	\$31,827.01	85
Bexar County Hospital District	\$557,973,337.16	\$10,329,896.94	4

**Texas Department of State Health Services
Tobacco Settlement Distribution Program**

2023 Pro Rata Distribution			
Tobacco Settlement Payee	2022 Unreimbursed Health Care Expenditures	2023 Distribution	
City of Seguin	\$2,477,777.16	\$45,871.69	
Big Bend Regional Hospital District	\$1,663,463.76	\$30,796.11	87
Booker Hospital District	\$811,182.89	\$15,017.63	116
Bosque County Hospital District	\$2,800,257.10	\$51,841.84	69
Burleson County Hospital District	\$2,181,735.91	\$40,391.01	74
Caprock Hospital District	\$767,882.85	\$14,216.00	121
Castro County Hospital District	\$1,486,255.23	\$27,515.41	90
Chambers County Public Hospital District	\$2,090,988.27	\$38,710.98	76
Childress County Hospital District	\$995,288.20	\$18,426.01	110
Chillicothe Hospital District -- Did not report	\$0.00	\$0.00	142
Cochran Memorial Hospital District	\$2,134,985.54	\$39,525.51	75
Coleman County Medical Center District	\$1,906,077.65	\$35,287.68	80
Collingsworth County Hospital District	\$1,864,911.83	\$34,525.57	82
Comanche County Consolidated Hospital District	\$2,973,551.00	\$55,050.08	66
Concho County Hospital District	\$788,611.08	\$14,599.75	117
Crane County Hospital District	\$3,621,593.57	\$67,047.45	58
Crosby County Hospital District	\$711,605.05	\$13,174.12	123
Culberson County Hospital District	\$5,760,088.04	\$106,637.92	41
Dallam-Hartley Counties Hospital District	\$4,001,880.00	\$74,087.78	53
Dallas County Hospital District	\$759,672,008.34	\$14,063,993.80	2
Darrouzett Hospital District	\$265,865.33	\$4,922.03	133
Dawson County Hospital District	\$2,869,387.61	\$53,121.68	67
Deaf Smith County Hospital District	\$5,373,815.00	\$99,486.75	44
DeWitt Medical District	\$4,096,376.00	\$75,837.21	52
Dimmit Regional Hospital District	\$5,825,552.67	\$107,849.88	39
Donley County Hospital District	\$451,853.59	\$8,365.28	129
East Coke County Hospital District	\$599,188.67	\$11,092.93	125
Eastland Memorial Hospital District	\$1,410,962.22	\$26,121.49	93
Ector County Hospital District	\$75,232,785.74	\$1,392,802.97	7
El Paso County Hospital District	\$148,964,258.33	\$2,757,811.77	6
Electra Hospital District	\$735,006.72	\$13,607.36	122
Fairfield Hospital District	\$2,548,418.79	\$47,179.50	70
Farwell Hospital District	\$45,084.13	\$834.65	141
Fisher County Hospital District	\$1,421,775.71	\$26,321.68	91
Foard County Hospital District	\$771,610.96	\$14,285.02	120
Follett Hospital District	\$68,178.87	\$1,262.21	138
Frio Hospital District	\$5,712,489.71	\$105,756.72	42
Gainesville Hospital District	\$6,145,511.87	\$113,773.37	37
Garza County Health Care District	\$625,425.71	\$11,578.66	124
Gonzales County Hospital District	\$11,432,285.00	\$211,648.69	23
Graham Hospital District	\$3,135,168.00	\$58,042.13	65
Grapeland Hospital District -- Did not report	\$0.00	\$0.00	142
Hall County Hospital District	\$411,349.00	\$7,615.40	130
Hamilton County Hospital District	\$847,340.45	\$15,687.02	113
Hamlin Hospital District	\$598,781.53	\$11,085.39	126
Hansford County Hospital District	\$2,860,004.04	\$52,947.95	68
Hardeman County Hospital District	\$1,050,646.96	\$19,450.88	109
Harris County Hospital District	\$932,949,749.25	\$17,271,926.96	1
Haskell County Hospital District	\$1,558,759.00	\$28,857.69	88
Hemphill County Hospital District	\$7,303,140.14	\$135,204.82	30
Higgins/Lipscomb Hospital District	\$55,024.50	\$1,018.68	140
Hood County Hospital District	\$496,767.31	\$9,196.77	127
Hopkins County Hospital District	\$7,393,456.84	\$136,876.88	29
Houston County Hospital District	\$1,852,744.00	\$34,300.30	83
Hunt Memorial Hospital District	\$21,003,057.03	\$388,834.73	16
Hutchinson County Hospital District	\$3,530,564.27	\$65,362.20	60

**Texas Department of State Health Services
Tobacco Settlement Distribution Program**

2023 Pro Rata Distribution			
Tobacco Settlement Payee	2022 Unreimbursed Health Care Expenditures	2023 Distribution	
City of Seguin	\$2,477,777.16	\$45,871.69	
Iraan General Hospital District	\$3,791,515.63	\$70,193.26	57
Jack County Hospital District	\$3,898,044.43	\$72,165.45	56
Jackson County Hospital District	\$5,810,862.82	\$107,577.93	40
Jasper Hospital District	\$285,537.00	\$5,286.22	132
Karnes County Hospital District	\$6,937,820.30	\$128,441.57	31
Kimble County Hospital District	\$1,680,975.93	\$31,120.32	86
Knox County Hospital District	\$885,326.33	\$16,390.26	112
Lavaca Hospital District	\$1,265,834.32	\$23,434.70	98
Lockney General Hospital District	\$1,205,415.00	\$22,316.14	105
Lubbock County Hospital District	\$29,271,584.67	\$541,912.01	12
Lynn County Hospital District	\$1,516,496.28	\$28,075.27	89
Marion County Hospital District	\$474,564.59	\$8,785.73	128
Martin County Hospital District	\$20,870,125.00	\$386,373.73	17
Matagorda County Hospital District	\$15,739,125.00	\$291,382.27	18
Maverick County Hospital District	\$10,444,956.31	\$193,370.03	25
McCamey County Hospital District	\$6,398,163.57	\$118,450.77	36
McCulloch County Hospital District	\$1,223,017.50	\$22,642.02	101
Medina County Hospital District	\$3,618,027.44	\$66,981.43	59
Menard County Hospital District	\$1,305,170.60	\$24,162.94	95
Midland County Hospital District	\$73,870,731.70	\$1,367,586.93	8
Mitchell County Hospital District	\$3,447,645.00	\$63,827.10	61
Montgomery County Hospital District	\$44,661,299.84	\$826,825.57	10
Moore County Hospital District	\$6,617,238.28	\$122,506.55	34
Motley County Hospital District	\$160,279.59	\$2,967.30	134
Moulton Community Medical Clinic District	\$92,168.41	\$1,706.34	136
Muenster Hospital District	\$1,411,230.87	\$26,126.46	92
Muleshoe Area Hospital District	\$1,882,035.81	\$34,842.59	81
Nacogdoches County Hospital District	\$13,277,400.00	\$245,807.76	22
Nixon Hospital District	\$57,576.00	\$1,065.92	139
Nocona Hospital District	\$815,753.38	\$15,102.24	114
Nolan County Hospital District	\$9,160,524.06	\$169,591.02	27
North Runnels County Hospital District	\$1,157,240.66	\$21,424.28	106
North Wheeler County Hospital District	\$3,941,958.82	\$72,978.45	54
Nueces County Hospital District	\$38,367,937.54	\$710,315.02	11
Ochiltree County Hospital District	\$6,096,564.99	\$112,867.20	38
Olney-Hamilton Hospital District	\$984,282.29	\$18,222.26	111
Palo Pinto County Hospital District	\$14,428,389.82	\$267,116.31	20
Parker County Hospital District	\$26,471,504.48	\$490,073.44	14
Parmer County Hospital District	\$2,000,000.00	\$37,026.49	78
Rankin County Hospital District	\$15,222,040.00	\$281,809.35	19
Reagan Hospital District	\$5,425,373.00	\$100,441.26	43
Reeves County Hospital District	\$57,918,697.00	\$1,072,263.01	9
Refugio County Memorial Hospital District	\$3,395,822.75	\$62,867.70	63
Rice Hospital District	\$4,511,377.11	\$83,520.23	49
Rockdale Hospital District	\$125,727.13	\$2,327.62	135
Sabine County Hospital District	\$1,971,712.53	\$36,502.80	79
San Augustine City-County Hospital District	\$1,209,933.00	\$22,399.79	104
Schleicher County Hospital District	\$3,940,451.33	\$72,950.54	55
Scurry County Hospital District	\$6,636,838.05	\$122,869.41	33
Seminole Hospital District	\$13,353,440.00	\$247,215.50	21
Shackelford County Hospital District	\$1,240,025.32	\$22,956.89	99
Somervell County Hospital District	\$4,189,101.24	\$77,553.86	51
South Limestone Hospital District	\$4,803,193.96	\$88,922.71	47
South Randall County Hospital District	\$1,218,775.63	\$22,563.49	102
South Wheeler County Hospital District	\$2,358,818.98	\$43,669.39	72

**Texas Department of State Health Services
Tobacco Settlement Distribution Program**

2023 Pro Rata Distribution			
Tobacco Settlement Payee	2022 Unreimbursed Health Care Expenditures	2023 Distribution	
City of Seguin	\$2,477,777.16	\$45,871.69	
Stamford Hospital District	\$1,290,108.72	\$23,884.10	96
Starr County Hospital District	\$6,839,001.88	\$126,612.12	32
Stephens Memorial Hospital District	\$2,065,076.00	\$38,231.26	77
Stonewall County Hospital District	\$1,231,092.00	\$22,791.51	100
Stratford Hospital District	\$1,215,000.00	\$22,493.59	103
Sutton County Hospital District	\$1,360,126.10	\$25,180.35	94
Sweeny Hospital District	\$9,673,793.00	\$179,093.30	26
Swisher Memorial Hospital District	\$2,250,639.35	\$41,666.64	73
Tarrant County Hospital District	\$574,590,268.00	\$10,637,530.24	3
Teague Hospital District	\$407,708.00	\$7,548.00	131
Terry Memorial Hospital District	\$3,392,592.00	\$62,807.89	64
Texoma Hospital District -- Did not report	\$0.00	\$0.00	142
Titus County Memorial Hospital District	\$5,201,937.24	\$96,304.74	45
Travis County Healthcare District	\$337,138,120.70	\$6,241,520.53	5
Trinity Memorial Hospital District	\$1,051,978.35	\$19,475.53	108
Tyler County Hospital District	\$2,540,801.26	\$47,038.48	71
Val Verde County Hospital District	\$3,399,253.10	\$62,931.20	62
Walker County Hospital District	\$10,526,109.00	\$194,872.43	24
West Coke County Hospital District	\$784,959.88	\$14,532.15	118
West Wharton County Hospital District	\$4,602,052.13	\$85,198.92	48
Wilbarger County Hospital District	\$4,284,213.00	\$79,314.68	50
Willacy County Hospital District	\$812,903.75	\$15,049.49	115
Wilson County Hospital District	\$4,980,113.28	\$92,198.06	46
Winkler County Hospital District	\$8,167,947.00	\$151,215.20	28
Winnie-Stowell Hospital District	\$777,729.55	\$14,398.30	119
Wood County Central Hospital District	\$74,984.19	\$1,388.20	137
Yoakum Hospital District	\$1,820,867.40	\$33,710.16	84
Subtotal Hospital Districts	\$4,157,420,961.26	\$76,967,351.63	
Grand Total	\$4,601,912,836.78	\$85,195,988.00	



Nueces County Courthouse
901 Leopard, Suite 301
Corpus Christi, TX 78401

Administration
(361) 888-0307
(361) 888-0308

Kevin Kieschnick
Assessor and Collector of Taxes

June 22, 2023

South Texas Legislative Delegation
Senator Juan Chuy Hinojosa
Senator Morgan LaMantia
Representative Abel Herrero
Representative Todd Hunter

This spring the Nueces County Appraisal District brought to our attention that the valuation of the petrochemical properties for Valero and Flint Hills Resources would be increasing significantly. Last year’s valuation for Valero was approximately \$1.2 billion, and Flint Hills Resources was approximately \$1.1 billion. The 2023 valuations have risen to more than \$6 billion for each facility, resulting in a possible combined \$10 billion difference between the contested values and appraised values. The litigation has been ongoing on the prior values of \$1.2 billion for Valero and \$1.1 billion for Flint Hills Resources going back to the 2018 valuation year, and we fully anticipate litigation on these values going forward.

Under current Truth-in-taxation calculation rules this scenario creates a significant funding disaster for taxing units relying on these facilities for funding. Historically both companies have been paying on individual uncontested values, as allowed by current law. Valero paid an uncontested amount of approximately \$650 million of their \$1.2 billion valuation, and Flint Hills Resources paid approximately \$700 million of their \$1.1 billion valuation.

Nueces County must anticipate the contested values will remain approximately the same for this year, which will create an over deflated tax rate for monies that will most likely not be paid until a final valuation is ultimately litigated. This will cause approximately \$10.65 billion worth of taxable value into the Truth-in-taxation calculation to not be collected, thus creating an enormous funding gap of more than \$100 million combined for the affected taxing jurisdictions.

For information contact:	<i>Motor Vehicle</i>	<i>Property Tax</i>	<i>Voter Registration</i>
voice	(361) 888-0459	(361) 888-0230	(361) 888-0404
fax	(361) 888-0482	(361) 888-0218	(361) 888-0218



Nueces County Courthouse
901 Leopard, Suite 301
Corpus Christi, TX 78401

Administration
(361) 888-0307
(361) 888-0308

Kevin Kieschnick
Assessor and Collector of Taxes

This gap jeopardizes everything from bond ratings to payroll and would require these units to cut deep into critical operations that could prevent them from performing their constitutional functions. The following estimates are prior to certification and not precise, but they are close estimates that even if off by 10%-20%, remain astronomically high. Based off prior uncontested values, the approximate amount of projected value captured that would not be collected for the following taxing jurisdictions includes:

Corpus Christi ISD:	\$6 billion
TMISD:	\$5 billion
West Oso ISD:	Pending additional data
Del Mar College:	\$11 billion
County of Nueces:	\$11 billion
Nueces County Hospital District:	\$11 billion
Nueces County Farm to Market:	\$11 billion

If the Texas Property Tax Code is not corrected it would be extremely difficult for these taxing jurisdictions to cut their budgets enough to continue operations. Most alarming is TMISD as their contested value amount represents approximately 55% of their total valuation. Additionally, the long-term effects of this situation could negatively cost Nueces County taxpayers for years to come through lowered bond ratings and the see-saw effect of calculated tax rates.

Under current law, the 2024 tax rate will skyrocket to offset these losses. Every taxpayer in the county, and especially those who fall within multiple taxing jurisdictions (most of the City of Corpus Christi), will need to pay the uncollected difference in 2024. This is far from an ideal situation.

My proposed solution to avoid this potential crisis includes the following changes to the Texas Tax Code:

26.0445 Tax Rate Adjustment for eligible Substantial Anticipated Litigation

(a) in this section:

(1) eligible Substantial Anticipated Litigation means that:

For information contact:	<i>Motor Vehicle</i>	<i>Property Tax</i>	<i>Voter Registration</i>
voice	(361) 888-0459	(361) 888-0230	(361) 888-0404
fax	(361) 888-0482	(361) 888-0218	(361) 888-0218



Nueces County Courthouse
901 Leopard, Suite 301
Corpus Christi, TX 78401

Administration
(361) 888-0307
(361) 888-0308

Kevin Kieschnick
Assessor and Collector of Taxes

- (i) an amount of disputed valuation that exceeds \$100,000,000.00 or more
 - (ii) may include 1 or multiple properties associated with the same taxpayer, including its subsidiaries, assumed names, and associated LLC's and S Corps
1. A taxpayer with Substantial Anticipated Litigation shall, within 21 days following an ARB hearing Or July 15th whichever comes first, who intends on filing a suit in court to contest the valuation shall submit their uncontested value to the Collector for each taxing unit. The Collector shall determine the greater of the prior year value, or the taxpayer's stated uncontested value and subsequently reduce the certified taxable value by the amount of that difference for purposes of establishing the No New Revenue Rate, and Voter Approval Rate. The Collector for that taxing unit shall submit supporting documents in an addendum to the TNT for that unit to account for the adjustment.
 - a. The amount of taxable value decrease shall be calculated by using the following formula: (Certified taxable value) – (ARB value -prior year value or the stated uncontested value (whichever is greater)) = Adjusted Taxable Value
 - b. The Adjusted Taxable Value shall be used by the comptroller to determine the State Value and Local Value of property in a school district for purposes of the comptroller's study under Chapter 403.302 of the Texas Government Code

Time is of the essence, and this fix needs to be in place prior to July 25, 2023 to avoid the issues outlined in this letter. Please do not hesitate to contact me should you have any questions.

Sincerely,

Kevin Kieschnick, PCC
Nueces County Tax Assessor-Collector.

UNAUDITED

Nueces County Hospital District
Combined Balance Sheet - All Fund Types & Account Groups
 As of 05/31/2023
 (In Whole Numbers)

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
Assets						
Cash & Cash Equivalents	80,999,747 *	16,697,157	68,637	0	0	97,765,541
Investments	2,925,781	38,911,893	0	0	0	41,837,673
Accrued Interest	0	65,682	291	0	0	65,973
Taxes Receivable, Net of Allowance	5,315,551	0	0	0	0	5,315,551
Other Receivables	591,171	0	0	0	0	591,171
Due from Other Funds	17,869	0	0	0	0	17,869
Prepaid Expenditures	55,184	0	0	0	0	55,184
Restricted Cash & Cash Equivalents - LPPF	48,465,839	0	0	0	0	48,465,839
Fixed Assets	0	0	0	14,155,491	0	14,155,491
Amt to be Provided for Retirement of LT Debt	0	0	0	0	65,503	65,503
Total Assets	138,371,141	55,674,732	68,928	14,155,491	65,503	208,335,795
Liabilities						
Accounts Payable	3,001,030	0	0	0	0	3,001,030
Accrued Payroll & Related Liabilities	349,076	0	0	0	0	349,076
Intergovernmental Transfer Obligations	48,465,839	0	0	0	0	48,465,839
Due to Other Funds	0	0	17,869	0	0	17,869
Deferred Revenue	5,315,551	0	0	0	0	5,315,551
Long Term Paid Time Off	0	0	0	0	65,503	65,503
Total Liabilities	57,131,495	0	17,869	0	65,503	57,214,867
Fund Equity						
Fund Balance	43,264,471	0	51,059	14,155,491	0	57,471,021
Committed to:						
Intergovernmental Transfers	37,975,175	0	0	0	0	37,975,175
Indigent Care	0	55,672,624	0	0	0	55,672,624
Assigned to County Health Care	0	2,107	0	0	0	2,107
Total Fund Equity	81,239,646	55,674,732	51,059	14,155,491	0	151,120,928
Total Liabilities & Fund Equity	138,371,141	55,674,732	68,928	14,155,491	65,503	208,335,795

* General Fund Cash & Equivalents balance includes \$37,975,175 in committed funds.

Nueces County Hospital District
 Statement of Revenues and Expenditures - All Governmental and Trust Funds
 General Fund
 From 5/1/2023 Through 5/31/2023
 (In Whole Numbers)

	Current Period Actual	Current Year Actual
Revenues		
Taxes	277,190	37,136,695
Penalties & Interest - Taxes	34,594	242,482
Spohn Corporate Member Revenue	2,649,457	19,300,294
Investment Income	353,219	1,973,148
Other Income	45	403,659
Total Revenues	3,314,505	59,056,278
Current Expenditures		
Intergovernmental Transfers	634,321	9,300,208
County Healthcare Funding	1,038,199	8,158,472
Salaries	114,922	907,518
Benefits	52,593	469,119
Legal & Professional Fees	112,238	524,484
Purchased Services	80,729	876,168
Supplies & Materials	1,746	12,230
Rent & Leases	13,082	101,305
Repairs & Maintenance	270	412
Utilities	2,868	22,512
Insurance	2,035	15,932
Administrative & General	4,905	51,046
Capital Outlay	0	3,937
Total Current Expenditures	2,057,907	20,443,342
Excess of Revenues Over Expenditures Before Sources/Uses	1,256,598	38,612,937
Other Financing Sources & Uses		
Operating Transfers In	(711,000)	(711,000)
Total Other Financing Sources & Uses	(711,000)	(711,000)
Excess of Revenues Over Expenditures After Sources & Uses	1,967,598	39,323,937
Fund Balance, Beginning of Year		41,915,709
FUND BALANCE, END OF YEAR		81,239,646

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Special Revenue Fund
From 5/1/2023 Through 5/31/2023
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	119,289	794,046
Tobacco Settlement Proceeds	0	710,315
Total Revenues	119,289	1,504,361
Excess of Revenues Over Expenditures Before Sources/Uses	119,289	1,504,361
Other Financing Sources & Uses		
Operating Transfers Out	711,000	711,000
Total Other Financing Sources & Uses	711,000	711,000
Excess of Revenues Over Expenditures After Sources & Uses	(591,711)	793,361
Fund Balance, Beginning of Year		54,881,371
FUND BALANCE, END OF YEAR		55,674,732

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Trust Fund
From 5/1/2023 Through 5/31/2023
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	291	1,928
Total Revenues	291	1,928
Current Expenditures		
Benefits	567	13,843
Administrative & General	29	1,331
Total Current Expenditures	595	15,174
Excess of Revenues Over Expenditures Before Sources/Uses	(304)	(13,247)
Excess of Revenues Over Expenditures After Sources & Uses	(304)	(13,247)
Fund Balance, Beginning of Year		64,306
FUND BALANCE, END OF YEAR		51,059

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
General Fund
From 5/1/2023 Through 5/31/2023
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Taxes	277,190	256,088	21,102	37,136,695	36,725,389	411,306
Penalties & Interest - Taxes	34,594	18,096	16,498	242,482	222,647	19,835
Spohn Corporate Member Revenue	2,649,457	2,333,333	316,124	19,300,294	18,666,664	633,630
Investment Income	353,219	40,226	312,993	1,973,148	255,895	1,717,253
Other Income	45	0	45	403,659	250,000	153,659
Total Revenues	<u>3,314,505</u>	<u>2,647,743</u>	<u>666,762</u>	<u>59,056,278</u>	<u>56,120,595</u>	<u>2,935,683</u>
Current Expenditures						
Intergovernmental Transfers	634,321	643,786	9,465	9,300,208	11,471,825	2,171,617
County Healthcare Funding	1,038,199	1,001,904	(36,295)	8,158,472	8,200,232	41,760
Salaries	114,922	134,871	19,949	907,518	1,136,924	229,406
Benefits	52,593	58,898	6,305	469,119	509,107	39,988
Legal & Professional Fees	112,238	129,667	17,429	524,484	1,037,340	512,856
Purchased Services	80,729	99,235	18,506	876,168	1,009,286	133,118
Supplies & Materials	1,746	1,791	45	12,230	14,336	2,106
Rent & Leases	13,082	13,875	793	101,305	111,004	9,699
Repairs & Maintenance	270	834	564	412	6,672	6,260
Utilities	2,868	4,000	1,132	22,512	32,000	9,488
Insurance	2,035	2,566	531	15,932	20,536	4,604
Administrative & General	4,905	36,534	31,629	51,046	292,288	241,242
Capital Outlay	0	0	0	3,937	215,400	211,463
Extraordinary	0	417	417	0	3,336	3,336
Total Current Expenditures	<u>2,057,907</u>	<u>2,128,378</u>	<u>70,471</u>	<u>20,443,342</u>	<u>24,060,286</u>	<u>3,616,944</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>1,256,598</u>	<u>519,365</u>	<u>737,233</u>	<u>38,612,937</u>	<u>32,060,309</u>	<u>6,552,628</u>
Other Financing Sources & Uses						
Operating Transfers In	(711,000)	(600,000)	111,000	(711,000)	(600,000)	111,000
Total Other Financing Sources & Uses	<u>(711,000)</u>	<u>(600,000)</u>	<u>111,000</u>	<u>(711,000)</u>	<u>(600,000)</u>	<u>111,000</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>1,967,598</u>	<u>1,119,365</u>	<u>848,233</u>	<u>39,323,937</u>	<u>32,660,309</u>	<u>6,663,628</u>
Fund Balance, Beginning of Year				41,915,709	0	41,915,709
FUND BALANCE, END OF YEAR				<u>81,239,646</u>	<u>32,660,309</u>	<u>48,579,337</u>

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Tobacco Settlement Fund
From 5/1/2023 Through 5/31/2023
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	1,747	0	1,747	2,045	0	2,045
Tobacco Settlement Proceeds	0	0	0	710,315	600,000	110,315
Total Revenues	1,747	0	1,747	712,360	600,000	112,360
Excess of Revenues Over Expenditures Before Sources/Uses	1,747	0	1,747	712,360	600,000	112,360
Other Financing Sources & Uses						
Operating Transfers Out	711,000	0	(711,000)	711,000	600,000	(111,000)
Total Other Financing Sources & Uses	711,000	0	(711,000)	711,000	600,000	(111,000)
Excess of Revenues Over Expenditures After Sources & Uses	(709,253)	0	(709,253)	1,360	0	1,360
Fund Balance, Beginning of Year				747	0	747
FUND BALANCE, END OF YEAR				2,107	0	2,107

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Indigent Care Fund
From 5/1/2023 Through 5/31/2023
(In Whole Numbers)

UNAUDITED

	<u>Current Period Actual</u>	<u>Current Period Budget</u>	<u>Current Period Budget Variance</u>	<u>Current Year Actual</u>	<u>YTD Budget</u>	<u>YTD Budget Variance</u>
Revenues						
Investment Income	117,542	30,853	86,689	792,000	246,360	545,640
Total Revenues	<u>117,542</u>	<u>30,853</u>	<u>86,689</u>	<u>792,000</u>	<u>246,360</u>	<u>545,640</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>117,542</u>	<u>30,853</u>	<u>86,689</u>	<u>792,000</u>	<u>246,360</u>	<u>545,640</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>117,542</u>	<u>30,853</u>	<u>86,689</u>	<u>792,000</u>	<u>246,360</u>	<u>545,640</u>
Fund Balance, Beginning of Year				54,880,624	0	54,880,624
FUND BALANCE, END OF YEAR				<u>55,672,624</u>	<u>246,360</u>	<u>55,426,264</u>



Administrative Offices

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

Office: (361) 808-3300

Fax: (361) 808-3274

www.nchdcc.org

BOARD OF MANAGERS RESOLUTION

JUNE 27, 2023

A RESOLUTION RELATING TO ANNUAL REVIEW AND ADOPTION OF REVISED INVESTMENT POLICY AND INVESTMENT STRATEGIES

WHEREAS, the Nueces County Hospital District (the “Hospital District” or “District”) is a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code, Chapter 281 (the “Health Code”), and operated in accordance with the Health Code and other applicable laws of the State of Texas, including the Texas Government Code, Chapter 2256 relating to public funds investment (the “Public Funds Investment Act”);

WHEREAS, the Hospital District’s Board of Managers (the “Board”) have been duly appointed pursuant to Health Code, §281.021(a);

WHEREAS, pursuant to collective authorities of Health Code, §281.047 and §281.048, the Board is the Hospital District’s governing body and the Board 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 Board desires to comply with annual requirements of the Public Funds Investment Act and Act, §2256.005(e), requires the Board to review, not less than annually, the District’s investment policy and investment strategies, adopt a written instrument stating that they have reviewed the policy and strategies, and record therein any changes made to the policy and the strategies;

WHEREAS, the Board: (i) adopted the original form of the Hospital District’s investment policy and investment strategies on March 31, 1998; (ii) previously amended portions of the policy and/or strategies on July 7, 1998; September 8, 1998; April 24, 2001; April 7, 2009; July 26, 2011, July 23, 2013, June 6, 2019, July 21, 2020, and September 1, 2021; (iii) has not amended the policy and/or strategies since September 1, 2021; and (iv) does hereby amend the current investment policy and investment strategies as shown in the attached hereto and identified as Exhibit “A”; and

WHEREAS, in accordance with Public Funds Investment Act, §2256.005(e), the Board hereby desires to: (i) review the current District’s investment policy and investment strategies; (ii) does hereby amend the current investment policy and investment strategies; and (iii) adopt the investment policy and investment strategies attached hereto and identified as Exhibit “A” to supersede and replace the current policy and strategies to be effective August 1, 2023.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:

1. The Board has reviewed the Hospital District's current investment policy and investment strategies.
2. The Board hereby adopts the investment policy and investment strategies attached hereto and identified as Exhibit "A" to supersede and replace the current policy and strategies to be effective August 1, 2023.
3. The Board hereby adopts this Resolution to affirm the preceding Resolves as required by Public Funds Investment Act, §2256.005(e).
4. The Administrator shall be and is expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether or not herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.
5. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the District.
6. This Resolution shall take effect and be in full force and effect upon and after its passage.
7. The Board retains its right to amend or repeal this Resolution at any time.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

John E. Valls
Chairman

Vishnu V. Reddy, M.D.
Vice Chairman

Sylvia Tryon Oliver
Member

Belinda Flores, RN
Member

Judge Mariana Garza
Member

Efrain Guerrero, Jr.
Member

Arthur Granado
Member

Exhibit "A"

NUECES COUNTY HOSPITAL DISTRICT

REVISED INVESTMENT POLICY AND INVESTMENT STRATEGIES
(COMPARISON TO PRIOR VERSION)

Original Adoption: March 31, 1998

Amended: July 7, 1998

Amended: September 8, 1998

Amended: April 24, 2001

Amended: April 7, 2009

Amended: July 26, 2011

Amended: July 23, 2013

Amended: June 6, 2019

Amended: July 21, 2020

Amended: September 1, 2021

Last Amended: June 27, 2023



NUECES COUNTY HOSPITAL DISTRICT

INVESTMENT STRATEGY & INVESTMENT POLICY

EFFECTIVE ~~SEPTEMBER~~ AUGUST 1, 2023~~2~~

Administrative Offices

555 North Carancahua St., Suite 950
Corpus Christi, Texas 78401-0835
Telephone: (361) 808-3300
Facsimile: (361) 808-3274

TABLE OF CONTENTS

PREFACE	1
POLICY	1
PURPOSE	1
ADOPTION & REVIEW	1
INVESTMENT STRATEGY	2
INVESTMENT POLICY	5
SCOPE	5
INVESTMENT OBJECTIVES	5
SAFETY OF PRINCIPAL	5
MAINTENANCE OF ADEQUATE LIQUIDITY	5
INVESTMENT DIVERSIFICATION	6
YIELD	6
PUBLIC TRUST	6
RESPONSIBILITY AND CONTROL	6
DELEGATION OF AUTHORITY FOR PROGRAM MANAGEMENT	6
PRUDENCE	7
ETHICAL STANDARDS AND CONFLICTS OF INTEREST	7
INVESTMENT COMMITTEE	8
DELEGATION OF AUTHORITY TO ACT AS INVESTMENT OFFICERS	9
TRAINING	9
INTERNAL CONTROLS	9
COMPLIANCE AUDIT	10
MANAGEMENT REPORTS	11
INVESTMENT PORTFOLIO	12
AUTHORIZED AND ACCEPTABLE INVESTMENTS	12
UNAUTHORIZED INVESTMENTS	13

MAXIMUM MATURITIES	14
AUTHORIZED DEPOSITORY, BROKER/DEALER AND INVESTMENT POOLS	14
DEPOSITORY FINANCIAL INSTITUTION	14
BROKER/DEALERS	15
REQUIREMENTS COMMON TO FINANCIAL INSTITUTIONS AND BROKER/DEALERS	15
INVESTMENT POOLS	16
COMPETITIVE BIDDING FOR ALL INVESTMENTS	16
DELIVERY VERSUS PAYMENT	16
SAFEKEEPING OF SECURITIES	17
DEPOSITORY COLLATERAL	17
MONITORING MARKET PRICES	19
GLOSSARY OF COMMON TREASURY TERMS	20
ATTACHMENT "A": STATEMENT OF PERSONAL BUSINESS RELATIONSHIP	24
ATTACHMENT "B": NUECES COUNTY HOSPITAL DISTRICT, BROKER/DEALER QUESTIONNAIRE.....	25

PREFACE

The Nueces County Hospital District (the "Hospital District" or "District") is a political subdivision of the State of Texas, established and created in 1968 pursuant to Article IX, Section 4 of the Texas Constitution, and operated in accordance with Chapter 281, Texas Health and Safety Code and other applicable state laws, including Chapter 2256, Texas Government Code, the Public Funds Investment Act (the "Act") and Texas Government Code 2257, the Public Funds Collateral Act.

The Hospital District recognizes effective cash management is essential to good fiscal management. The District will pursue an active cash management and investment policy to take advantage of investment interest as a viable and material contribution to the revenues of the District. The District's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state law.

POLICY

It is the policy of the Hospital District that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investments, the District shall manage and invest its idle cash with these objectives which are listed in order of priority: safety of principal, liquidity of principal, investment diversification, yield, and public trust. The safety of the principal invested and liquidity always remain the primary objectives. The District shall design and manage all investments in a manner that is advantageous to the District, responsive to the public trust, and consistent with applicable law.

All investments made by the Hospital District shall comply with the Act and all federal, state, and local statutes, rules or regulations.

PURPOSE

The purpose of this Investment Policy is to set forth specific investment policy and strategy guidelines for the Hospital District. This Policy also serves to satisfy requirements of the Act, which requires public entities such as the District, to define, adopt, and review a formal investment strategy and policy regarding its funds and the funds under its control.

ADOPTION & REVIEW

The Hospital District's Board of Managers (the "Board"), based on advice and counsel from the Investment Committee and the Administrator, shall review and adopt by resolution, its investment strategies and policy not less than annually. Adopting resolutions shall include a record of changes made to either the investment policy or strategy.

INVESTMENT STRATEGY

The Hospital District maintains a comprehensive, conservative and proactive cash management program designed to monitor and control all District funds to ensure maximum use and reasonable market yield. The basic and underlying strategy of this program is that all of the District funds earn continuously. The District shall maintain a flexible investment design and be prepared to modify the investment strategy as market conditions dictate. The investment strategies described herein are based on the District's conservative philosophy and predicated on repetitive cash flow conditions. As such, the market strategies supporting these overall strategies are subject to change as conditions warrant.

The Hospital District shall manage and invest its funds with these objectives, listed in order of priority: safety of principal, liquidity of principal, investment diversification, yield, and public trust. The safety of the principal invested and liquidity always remain the primary objectives. The District shall design and manage all investments in a manner that are favorable to the District, responsive to the public trust, and consistent with applicable law.

Within these investment objectives, the investment strategy is to utilize Investment Policy authorized investments to gain maximum advantage for the Hospital District.

- In accordance with the District's intermediate and long-term plans and strategies, the District will maintain one combined portfolio. At least annually, the District's Investment Committee will evaluate the usefulness of this approach as compared to the District's current and future asset use needs as well as contemporaneous market conditions and trends. The principal investment strategies for this aggregate portfolio are to assure that the District's cash assets are safe and that anticipated cash needs of the District are matched with sufficient liquidity.
 1. To assure safety, the District shall utilize only high-credit quality securities such as U.S. government and agency issues and other securities that assure the return of principal when held to maturity. Additionally, the District shall qualify and monitor financial institutions and brokers/dealers with whom the District transacts business. Compliance with this Policy is to assure safety. As a guideline, at least 33% of the District's investments shall be U.S. government or agency issued securities. The District will not invest in securities maturing more than ~~3-5~~ years from the date of purchase.

The District shall limit its acquisition of securities to those that are commonly traded by governmental entities and have proven resale markets. The District shall select brokers/dealers that regularly deal with governmental entities.

2. To assure liquidity, the District shall ensure that a minimum of 10% of its portfolio is invested in securities which mature or could be liquidated (without penalty) within 60-90 days. The District will utilize local government pools and money market funds or ~~interest-bearing~~ interest-bearing depository accounts to achieve needed liquidity. The maximum dollar

weighted average maturity (“WAM”) of the District's portfolio will be ~~one-~~ two years or less, calculated on the stated final maturity date of each security. The District shall match its periods of high cash consumption with matching amounts of liquidating securities when tax revenues are not adequate. Similarly, the District will strive to assure that its cash outlays are paid in a timely fashion by coordinating the establishment of maturity dates of various securities to cover periodic annual outlay needs not fully covered by then available tax revenues. Additional liquidity will be made available to cover the debt service payments on the required payment dates if needed.

3. To assure diversification and to avoid incurring unreasonable risks from over concentration of investments in a specific maturity, a specific issue, or a specific class or type of securities, the District shall maintain a diversified portfolio. The District will diversify so that potential losses on individual securities do not exceed the investment income generated from the remainder of the portfolio, taking into account current and projected yields and other market considerations.

Diversification will be served by the District matching the District’s annual business plan and projected strategic plan to its investment plan. Diversification will be served by competitive bidding and monitoring of all authorized market sectors for value. The District shall concurrently monitor the progress of the operating and investment plans. The District shall select ~~a number of several~~ brokers/dealers that regularly deal with governmental entities and are familiar with their business cycles and ongoing business strategies as well as to provide competition.

4. To assure yield and risks stay within safe limits, the District shall structure its portfolio to meet or exceed the risk benchmark. The District shall pursue an overall average benchmark yield on the six-month U.S. Treasury Bill which is comparable to the District's average WAM, and consistent with the investments authorized as well as limitations in this Investment Policy.

- To increase earnings for assets identified as available for investment over longer periods (based on a long-range cash requirement projection) the Hospital District will consider the following additional strategies:

1. Evaluating longer term investment opportunities.
2. Building a ladder of Investment Policy authorized securities with staggered maturities for all or part of the longer term investable funds. The benefits of this ladder approach include:
 - It is straightforward and easily matched to cash needs.
 - It will require a minimum of time and investment expertise to administer.

- It represents a safe option to meet cash needs.
 - All investments remain within the approved maturity horizon.
 - It will assure the District that it will capture the most reasonable section of the yield curve at the time of purchase.
 - It provides predictable cash flow with scheduled maturities and reinvestment.
3. Utilizing the services of a reputable and respected independent, third-party SEC-registered investment advisor to assist the District in preparing a plan to achieve a higher yield on the assets available for longer term investment.
- The Hospital District’s investment strategy for handling investments that are not presently statutorily authorized but were so authorized at the time of their purchase; or were previously purchased and exceed the maximum allowable maturity stated under this Investment Policy, shall have as its primary objective that the District will liquidate such investments if it is prudent to do so under the District’s investment objectives, but only when so authorized by the Investment Committee created under this Investment Policy. Upon liquidation, such funds shall be reinvested in a manner consistent with this Investment Policy.
- If an existing investment that requires a minimum rating under this Investment Policy loses that required rating the District shall undertake all prudent measures that are consistent with this Investment Policy to liquidate an investment in a timely manner.
- Unless otherwise directed by the Investment Committee or Board, interest earnings received from investments of Hospital District funds shall be allocated back to the appropriate fund, unless indicated otherwise by generally accepted accounting principles or law.

INVESTMENT POLICY

I. SCOPE

This Investment Policy shall govern all cash and investment assets of the Hospital District. This Policy also governs all of the District's trust and escrow agreements and other similarly functioning agreements. Similarly, this Policy governs the District's depository agreement with its depository financial institution as it relates to collateral and collateral investment requirements. This Policy does not apply to funds the District maintains or administers under a deferred compensation plan, the federal income tax treatment of which is governed by Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Sections 401(k) and 457).

II. INVESTMENT OBJECTIVES

The Hospital District shall maintain a comprehensive cash management program that includes collection of accounts receivable, vendor payment according to invoice terms, and prudent investment of available cash. Cash management is the process of managing monies to insure cash availability and maximum yield on short-term investment of pooled cash.

It is the intent of the Hospital District that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investments, all available funds shall be fully invested in conformance with this Investment Policy and at the highest reasonable rates obtainable at the time of investment within the limits of this policy.

The Hospital District shall manage and invest in accordance with these objectives, listed in order of priority: safety of principal, liquidity of principal, investment diversification, yield, and public trust. The safety of the principal invested and liquidity always remains the primary objectives. All investments shall be designed and managed in a manner favorable to the District, responsive to the public trust, and consistent with applicable law.

A. SAFETY OF PRINCIPAL

Safety of principal invested is the primary objective in investment decisions of the Hospital District. Each investment transaction shall seek to ensure the preservation of capital. The District shall control investing risk by utilizing high credit quality securities and through portfolio diversification.

B. MAINTENANCE OF ADEQUATE LIQUIDITY

The investment portfolio shall be managed to maintain adequate liquidity to ensure that funds will be available to meet cash flow requirements that might be reasonably anticipated and by investing in securities with active secondary markets. A security may be liquidated to meet unanticipated cash requirements or otherwise to favorably adjust the Hospital District's investment portfolio.

The Hospital District will match its investments with anticipated cash flow requirements in a laddered strategy by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets. Recognizing that not all funds are needed for cash flow purposes, cash may be invested to longer maturities to best utilize the funds.

C. INVESTMENT DIVERSIFICATION

The Hospital District shall diversify its investments to spread market and credit risk. The District will invest in a planned mix of investments, maturities, and/or investment categories to reduce credit and market risk.

D. YIELD

The Hospital District's cash management portfolio shall be designed with the objective of regularly exceeding the average yield on the ~~six-month one-year~~one-year U.S. Treasury Bill which compares to the District's average WAM. The investment program shall seek to augment earnings above this threshold consistent with risk limitations identified herein and prudent investment policies.

E. PUBLIC TRUST

All participants in the Hospital District's investment program shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any transaction that might impair public confidence in the District's ability to govern effectively.

III. RESPONSIBILITY AND CONTROL

A. DELEGATION OF AUTHORITY FOR PROGRAM MANAGEMENT

Overall management responsibility for the Hospital District's investment program is hereby delegated to the Administrator who shall be responsible for all operations of the District's investment program and transactions undertaken. The Administrator and other employees shall be designated Investment Officers in accordance with the Act. Investment Officers are designated by resolution of the Board.

B. PRUDENCE

The standard of prudence to be applied by the Hospital District's investment officers shall be the "prudent person" rule, which states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration: (1) the investment of all funds, or funds under the Hospital District's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment, and (2) whether the investment decision was consistent with the written investment policy of the District. The investment officers acting according to written policies and procedures and exercising due diligence, shall not be held personally liable for a specific security's credit risk or market price changes, if these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

For purposes of this Investment Policy, "investment officer" means all Hospital District employees designated by Board resolution and involved in investment activities. All employees involved in investment transactions will be bonded. The District shall bear the cost of such bonding.

C. ETHICAL STANDARDS AND CONFLICTS OF INTEREST

All Hospital District investment officers having a direct or indirect role in the investment of Hospital District funds shall act as custodians of the public trust avoiding any transaction that might involve a conflict of interest, the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence. All persons involved in the District's investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

District staff shall disclose to the Administrator, or in the case of the Administrator, the Investment Committee and Board, any material financial interests in financial institutions, with dealers, brokers, or investment pools, collectively referred to "business entities," that conduct business with the District and they shall further disclose positions that could be related to the performance of the District's portfolio. District staff shall subordinate their personal financial transactions to those of the District, particularly with regard to timing of purchases and sales.

In accordance with the Act (§2256.005(i)), “an investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the Hospital District shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship. Such statement must be filed with the District’s Investment Committee and Board.

In accordance with the Act, an investment officer must disclose to the Texas Ethics Commission if he has a personal business relationship with a business organization in which: (1) the investment officer owns 10% or more of the voting stock or shares of the business entity or owns \$5,000 or more of the fair market value of the business organization; or (2) funds received by the investment officer from the business entity exceed 10% of the investment officer’s gross income for the previous year; or (3) the investment officer has acquired from the business entity during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer”. (Attachment “A”)

D. INVESTMENT COMMITTEE

There is hereby created by the Board an Investment Committee, consisting of all members of the Board of Manager’s Finance Committee, the Hospital District’s Administrator, and primary and secondary investment officers. The Chairman of the Finance Committee shall be Chairman of the Investment Committee. Those Committee members who are District employees shall be ex officio members of the Committee. All members of the Investment Committee should have an understanding of the suitability of the District’s investment instruments as they relate to the financial, cash flow and long-term debt requirements of the District. The Investment Committee shall meet at least quarterly, usually in conjunction with Finance Committee meetings, to monitor the investment plan, set general strategies, and to review results. The Investment Committee shall include in its deliberations such topics as: performance reports, economic outlook, portfolio diversification, portfolio structure, potential risk to and opportunities for the District’s funds, authorized financial institutions, brokers/dealers, investment pools, and the overall target yield on the investment portfolio. The Administrator shall prepare an agenda for all Investment Committee meetings. The Administrative Assistant shall maintain minutes of such meetings. The Investment Committee shall operate according to the terms and conditions of the Board’s Bylaws. Either the Committee’s Chairman or the Administrator may request special meetings. A majority of the non-employee members shall form a quorum. The Committee shall establish its own rules of procedure if not so provided by the Board’s Bylaws.

E. DELEGATION OF AUTHORITY TO ACT AS INVESTMENT OFFICERS

Authority to act as an investment officer in the Hospital District's investment program is derived solely by resolution of the District's Board. Only persons authorized by Board resolution may deposit, withdraw, transfer, or manage in any other manner, the cash and investment assets of the District. Such persons shall manage the District's funds according to this Investment Policy. Such authority is effective until rescinded by the Board or until termination of employment. The Board may appoint one or more investment officers. When more than one investment officer is appointed the Board shall designate one primary investment officer and the remainder shall be secondary investment officer(s). In the absence or unavailability of the primary investment officer, the secondary investment officers are responsible for investment decisions and activities.

F. TRAINING

Within one year of becoming or assuming their duties, investment officers shall receive not less than 10 hours of instruction relating to investment responsibilities under the Act from an independent source approved by Board resolution. After that, the investment officers shall attend 10 hours of investment training not less than once in each succeeding two-year period that begins on the first day of the Hospital District's fiscal year and consists of the two consecutive fiscal years after that date, and instruction shall relate to investment responsibilities under the Act. Such training shall at least include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.

The Board shall from time-to-time, approve by resolution investment training courses applicable to this paragraph. The Hospital District shall bear the costs of such training.

G. INTERNAL CONTROLS

The Administrator shall establish a system of internal controls to regulate the activities of all investment officers. This system of controls shall be designed to provide reasonable assurance that the assets of the Hospital District are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Additionally, the Administrator shall assure that written procedures are established for the operation of the investment program, consistent with this Investment Policy. Such procedures shall explicitly address delegation of authority to persons responsible for investment transactions. No persons may engage in an investment transaction except as provided under the terms of this Investment Policy and the internal control procedures established by the Administrator. In addition, the internal controls shall at least address the following points:

1. Control of collusion;
2. Separation of transaction authority from accounting and record keeping;
3. Custodial safekeeping;
4. Clear delegation of authority to subordinate staff members;
5. Written confirmation for all transactions for investments and wire transfers;
and
6. Maintenance of a log detailing all investment bids solicited and purchases by investment officers.

The investment officer(s) shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the investment officer(s) shall notify the Investment Committee of the loss of rating, conditions affecting the rating and possible loss of principal along with liquidation options available,

The investment officer shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the District based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the investment officer shall immediately liquidate any brokered CD which is above the FDIC insurance level.

H. COMPLIANCE AUDIT

The Administrator shall assure that an internal controls compliance audit is performed in conjunction with the Hospital District's annual independent financial audit. Such compliance audit shall at least focus on management controls, adherence to this Investment Policy, and compliance with applicable laws. The results of this compliance audit shall be incorporated into the independent auditor's annual report to the Board.

If the Hospital District invests in other than money market mutual funds, investment pools or CDs the quarterly reports associated with those activities shall be formally reviewed, at least annually, by an independent auditor and the results of the review shall be reported to the Board by the independent auditor. This shall be done in conjunction with the independent auditor's annual report to the Board.

I. MANAGEMENT REPORTS

At least monthly, the investment officers shall jointly compile a written report for the Administrator and other management's use in monitoring the Hospital District's investment program. The report must:

1. Contain a detailed description of each investment position of the District on the date of the report.
2. Be prepared jointly and signed by all District investment officers.
3. Contain a summary statement, prepared in compliance with generally accepted accounting principles, of each pooled funds group that states:
 - a. Beginning market value for the reporting period.
 - b. Additions and changes to the market value during the period.
 - c. Ending market value for the period.
 - d. Fully accrued interest and total earnings (net amortization/accretion) for the reporting period.
4. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.
5. State the maturity date of each separately invested asset that has a maturity date. (Liquid investments have a one-day maturity date.)
6. State the account or fund or pooled group fund in the District for which each individual investment was acquired, if applicable.
7. State the compliance of the investment portfolio of the District as it relates to the District's Investment Policy and relevant provisions of law.

Market prices will be obtained from independent financial sources such as the Wall Street Journal for reporting purposes.

In addition to the above, but not less than quarterly, the Administrator and investment officers shall collectively prepare and submit to the Board an additional written report of investment transactions for the portfolio. The report shall be based on the District's fiscal year quarters and shall be presented to the Board within a reasonable time after the end of such periods. The report shall cover element's 1 -7 above.

IV. INVESTMENT PORTFOLIO

A. AUTHORIZED AND ACCEPTABLE INVESTMENTS

Only the following investments are authorized for investment by the Hospital District:

1. Obligations of the United States, its agencies and instrumentalities and full faith and credit obligations of the U.S. Government, excluding all mortgage backed securities with a maximum maturity of three years.
2. ~~Direct obligations of the State of Texas or its agencies or instrumentalities; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit, of the United States.~~ Obligations of the State of Texas, or their respective agencies and instrumentalities; obligations of the states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
3. Depository certificates of deposit issued by a state or national bank doing business in Texas that are:
 - a. guaranteed or insured by the FDIC or its successor; and
 - b. secured by obligations defined by this Policy; and
 - c. collateralized to 102% of District deposits, which collateral is held by an independent third-party custodian approved by the District.

Depository certificate of deposit spread programs entered into through a Texas bank are authorized under this provision.

4. FDIC-insured brokered CDs purchased from a broker on the District list or a bank in Texas, delivered versus payment to the District’s safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank (on www.FDIC.gov or equivalent) to assure that the bank is FDIC-insured.
5. Fully collateralized repurchase agreements that have a defined termination date not to exceed one year, are secured by obligations of the United States or its agencies and instrumentalities, are cleared delivery versus payment and held in the District’s name by a custodian approved by the District, and placed through a primary governmental securities dealer, as defined by the Federal Reserve or a financial institution doing business in Texas.

Formatted: Indent: Left: 0.96", Line spacing: single

Formatted: Indent: Left: 1.46", Space Before: 0 pt

Reverse repurchase agreements not to exceed 90 days. Funds received under the terms of a reverse repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse repurchase agreement.

6. Commercial paper that has a stated maturity of ~~270 days one year~~ or less from the date of purchase and is dual rated A1-1 or P-1 or equivalent by at least two nationally recognized credit rating agencies.
7. AAA-rated, no-load money market mutual funds that:
 - a. are registered with and regulated by the Securities and Exchange Commission;
 - b. has a dollar-weighted average stated maturity of 60 days or fewer; and
 - c. includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share.
8. Texas public funds investment pools which strive to maintain a \$1 net asset value and meet the requirements of the Act, if the Board authorizes the investment in the pool by resolution.
9. Fully insured or collateralized interest bearing accounts in any Texas bank to include spread demand deposit programs entered into through a Texas bank.

All investments must comply with all policy, federal, state, and local statutes, rules or regulations.

All security transactions will be made on a competitive bidding basis and all transactions will be settled into the District's custodian on a delivery versus payment basis.

B. UNAUTHORIZED INVESTMENTS

State law specifically prohibits investment in the following investment securities:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal.
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.

3. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

C. MAXIMUM MATURITIES

The longer the maturity of investments becomes, the greater their risk and price volatility but also the greater the yield normally. Accordingly, it is the Hospital District's policy to invest in a laddered structure to approximate investments to cash flow needs and provide for adequate liquidity. In periods of declining interest rates the portfolio may be extended to lock in rates. In periods of rising interest rates the portfolio may be kept more liquid. The District will not directly invest in individual securities maturing more than ~~3-5~~ years from the date of purchase. Collateral provided for certain investments, however, may be collateralized using longer date instruments. The WAM of the portfolio will not exceed ~~one-two~~ years.

D. AUTHORIZED DEPOSITORY FINANCIAL INSTITUTION, BROKER/DEALERS AND INVESTMENT POOLS

Conditioned on formal approval by the Investment Committee and satisfactory compliance with this Investment Policy (including applicable laws), a depository financial institution and brokers/dealers of government securities are hereby authorized under this Investment Policy. Investment pools are additionally authorized when approved by resolution of the Board.

1. DEPOSITORY FINANCIAL INSTITUTION

The depository financial institution selected by the Hospital District at least every four years shall be used for initial placement of District's demand deposits and as a source for placement of time deposits (CDs) pursuant to the requirements set forth in this Investment Policy. Such institution shall be a bank doing business in the State of Texas.

The Hospital District shall select one depository financial institution no less than every four years on a competitive basis pursuant to Texas Health and Safety Code, §281.093(a)(1) and pursuant to the selection process set forth in Texas Local Government Code, Chapter 116. The banking services depository will not be used as a broker for security purchases in order to perfect the delivery versus payment settlement on all transactions.

Hospital District investment officers may not place time or demand deposits requiring collateral with any financial institution that does not have a valid depository agreement with the District. However, investment officers may

place time deposits (CDs) with financial institutions, other than the depository financial institution, provided they have been approved by the Investment Committee and are located in the State and, if above FDIC insurance limits, has an executed depository/collateral agreement with the District. All collateral agreements will be in writing and must be approved by the Bank Board or Loan Committee to perfect the provisions of Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA).

Policy Certification

Hospital District investment officers may not participate in any pool which has not delivered to the District the policy certification of having read the District's Investment Policy, including an acknowledgment of implementing reasonable procedures and controls, as required below.

2. BROKERS/DEALERS

Investment officers shall not knowingly conduct business with any firm with whom public entities have sustained losses on investments. All securities brokers/dealers shall provide the District with references from public entities which they are currently serving. The Investment Committee shall annually adopt and review a list of qualified brokers/dealers authorized to engage in investment transactions with the District.

Policy Certification

Hospital District investment officers will deliver the current investment policy to all brokers, but certification is not required.

3. REQUIREMENTS COMMON TO FINANCIAL INSTITUTIONS AND BROKERS AND DEALERS

All financial institutions and brokers/dealers who desire to become the depository or qualified bidders for investment transactions must supply the Hospital District with the following information, as appropriate:

- a. current audited financial statements provided on an annual basis;
- b. proof of Financial Industry Regulatory Agency (FINRA) registration (CRD #) (brokers only);
- c. proof of state registration (brokers only);
- d. For pools, a signed *Policy Certification*; acknowledging that the pool has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the District and the pool;

- e. completed *Nueces County Hospital District Broker/Dealer Questionnaire* (Attachment “B”).

For purposes of this Investment Policy, a “qualified representative” means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization as defined by the Act.

An annual review of the financial condition and registration of qualified broker/dealers shall be conducted by the Hospital District’s Administrator.

4. INVESTMENT POOLS

The Hospital District may invest its funds in eligible investment pools which strive to maintain a \$1 net asset value and as defined by the Act and this Policy provided that the Board adopts a resolution authorizing investment in that particular pool.

Once an investment pool is approved for use by the Board, to maintain eligibility to receive Hospital District funds and invest funds on behalf of the District pursuant to the Act, the investment pool must furnish to the District’s Administrator or investment officers periodic reports as defined by the Act.

E. COMPETITIVE BIDDING FOR ALL INVESTMENTS

To purchase or sell investment securities, the Hospital District’s investment officers shall solicit independent bids/offers from at least 3 authorized brokers/dealers from the list approved by the Investment Committee. For CDs, the investment officers shall solicit independent bids from 3 financial institutions. All bids/offers for investment securities or instruments shall be solicited by an investment officer via any of the following methods but must be documented.

- 1. Orally (but confirmed in writing);
- 2. In writing;
- 3. Electronically; or
- 4. Any combination of the above methods.

F. DELIVERY VERSUS PAYMENT

It is the policy of the Hospital District that all security transactions entered into by the District shall be conducted on a “delivery versus payment” basis. That is, the depository acting as safekeeping agent for the District shall not release District funds until verification has been made that the correct security was received. The security

shall be held in the name of the District by the safekeeping agent. The records shall assure the notation of the District's ownership of the securities. The original copy of all safekeeping receipts shall be delivered to the District. For purposes of this Investment Policy, safekeeping receipt shall mean evidence of receipt, identification and recording, including a written or electronically transmitted advice of transaction.

G. SAFEKEEPING OF SECURITIES

All securities owned by the Hospital District shall be held in its banking services depository or a depository chosen by the District. Safekeeping will be controlled by a written Safekeeping agreement executed by the District and bank.

H. DEPOSITORY COLLATERAL

All collateral pledged to secure time and demand deposits shall be custodied in an independent custodial institution approved by the Hospital District to include the Federal Reserve.

The collateral agreement shall be executed by the Hospital District and the pledging bank and be in writing on the terms and conditions for securing the deposit of District funds, including the procedural steps for gaining access to the collateral. The Agreement shall be adopted by resolution of the Bank Board or the Bank's Loan Committee and executed before funds are moved into the depository. If the Federal Reserve is used as the custodian, a Pledgee Agreement Form (Circular 7) of the Fed will be executed. Such agreements shall include the signatures of all authorized representatives of the District. Original safekeeping trust receipts shall be obtained. The District or its agent may inspect, at any time, an investment security evidenced by a receipt.

The Custodian shall provide to the Hospital District monthly collateral reports listing the securities pledged.

1. Consistent with the requirements of the Public Funds Collateral Act (Texas Government Code, §2257 et seq.) it is the policy of the Hospital District to require that the depository financial institution pledge collateralization for all District funds in demand and time deposits, that are in excess of the amount insured by the FDIC. The following are applicable to such collateralization:
 - a. The District shall be the final authority when determining the market value of securities pledged to secure District deposits for the purpose of determining adequacy of the amount of collateral. The District's valuation of the securities is final and not subject to review;
 - b. The total value of eligible security used to collateralize deposits of the

District shall be not less than 102% of total market value on the deposits less an amount insured by the FDIC. Preferably, the Custodian shall report to the District, at least monthly, collateral reports listing the securities pledged;

- c. If the market value of the securities pledged by the depository financial institution becomes less than the amount of the total deposit in the depository, the District shall require that additional collateral be pledged immediately. If the collateral pledged by the depository financial institution is in excess of the percentage amount required above, the District may permit the release of the excess collateral if the collateral's market value exceeds the required amount. If the balance of District deposits in the depository financial institution is increased, the depository financial institution shall immediately increase the collateral for the deposits to the percentage amount required above. The bank shall be liable for monitoring and maintaining the required margin of 102% at all times;
- d. The depository financial institution may substitute securities pledged with the District, if the market value of the replacing securities are equal to or greater than the required collateral value and the new securities are received by the custodian before release of existing collateral;
- e. If the depository financial institution fails to credit a deposit or part of deposit made by the District, the District will notify and may sell or otherwise convert the securities to cash in accordance with the Public Funds Collateral Act's events of default.
- f. For purposes of this Investment Policy, collateral eligible to be pledged to secure District deposits at the District's depository financial institution shall be in accordance with the Act and limited to:
 - (1) Direct obligations of the United States government, its agencies or instrumentalities, excluding letters of credit; and
 - (2) Direct obligations backed by the full faith and credit of the United States government;
 - (3) Municipal and state obligations rated A or better by two nationally recognized rating agencies.
- g. The depository financial institution shall maintain a separate, accurate, and complete record relating to a pledged investment security, a deposit of demand or time deposit funds (including accrued

interest), and a transaction related to a pledged investment security.

2. All collateral and related information shall be subject to examination, verification and audit by the District or its agents (including its independent auditors) at any reasonable time.
3. The collateral pledged shall be reviewed at least monthly by the District's investment officers.
4. As a part of its independent annual audit, the District's auditor shall examine and verify pledged investment securities and its market value and records maintained and report any significant or material noncompliance with the Investment Policy to the Board. Such report shall be prepared in conjunction with the independent auditor's annual report to the Board.
5. The pledging financial institution shall be responsible for monitoring and maintaining the margins at all times.

I. MONITORING MARKET PRICES

On at least a monthly basis, the investment officers shall obtain the market price of owned securities investments using financial periodicals (i.e., Wall Street Journal, etc.), on-line investment monitoring services, and/or other market information sources. Market prices will be used to establish market value.



GLOSSARY OF COMMON TREASURY TERMS

Agencies: Federal agency securities.

Asked Price: The price at which securities are purchased by the District. The opposite of a bid.

Basis Point: Equal to 1/100 of one percent to measure price and yield. If interest rates rise 0.25%, the difference is referred to as an increase of 25 basis points.

Bid: The price at which the District sells a security. The opposite of an offer.

Book Value: The value of a security owned by the District equal to the purchase cost plus/minus the net of amortization/accretion.

Broker: An individual or firm who brings buyers and sellers together. In the money markets, all prices for securities are net priced reflecting all costs.

Certificate of Deposit – Depository (CD): Notes issued by banks that guarantee payment of a fixed interest rate until a future date (the maturity date) which are FDIC-insured up to \$250,000.

Certificate of Deposit – Brokered: Securities issued by a bank as certificates of deposit but securitized by the bank and sold on the open market by brokers. Brokered CDs are securities and have additional risk/control elements to be addressed, such as safekeeping. Only FDIC-insured brokered CDs safe kept by the District's safekeeping agent are authorized for purchase by the District.

Collateral: Securities pledged to the District for time and demand deposits over FDIC insurance coverage.

Commercial Paper: An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The maximum for commercial paper is 270 days, but most is sold with maturities of up to 90 days. The credit risk is rated by nationally recognized rating agencies.

Coupon: A certificate attached to any security with an original maturity over one year evidencing interest due semi-annually. (Coupon rate * face amount)

Custodial Agreement: A written contract establishing the responsibilities of a custodian who holds collateral for deposits or securities.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account. A firm that has an inventory and can sell securities.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment (DVP): There are two methods of delivery of securities: Delivery versus payment and delivery versus receipt (DVR) (also called free).

- (a) Delivery versus payment means delivery of securities with an exchange of money for the securities.
- (b) Delivery versus receipt means delivery of securities with an exchange of a signed receipt for the securities.

Depository Insurance: Insurance on deposits with financial institutions. FDIC and some state governments provide this insurance.

Deposits: In the context of required note disclosures, cash and near cash items placed on account with a financial institution or fiscal agent. Some deposits (e.g., checking accounts) are subject to withdrawal on demand without notice or penalty (demand deposits) and others (e.g., CDs) can only be withdrawn without penalty upon completion of a fixed period (time deposits).

Discount: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities: Non-~~interest-bearing~~interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value; for example, U.S. Treasury bills.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures deposits of federally chartered banks, currently up to \$250,000 per deposit.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks, and about 5,700 commercial banks that are members of the system.

Fixed-Income Securities: Securities with a set interest rate for the life of the security.

Governmental Accounting Standards Board (GASB): The authoritative accounting and financial reporting standard-setting body for government entities.

Interest Rate Risk: The degree of uncertainty in the prices of securities associated with changes in interest rates; the value of the securities moves in inverse relation to interest rates. This term is generally associated with bond ~~prices, but~~prices but applies to all investments.

Investment Risk: Any of several risks incurred when making investments. Examples include credit risk, market risk, reinvestment risk, and volatility risk.

Letters of Credit: A financial institution's written guarantee of a customer's drafts, up to a specified amount, for a certain period of time.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable quantities can be purchased at those quotes.

Local Government Investment Pool (LGIP): The aggregate of funds from political subdivisions participating in a commingled investment vehicle for investment and reinvestment.

Margin: A percentage above market value used to protect against fluctuations in market value.

Market Risk: Risk coming from price fluctuations for a whole market, for an entire industrial group, or for a particular security, as a result of factors such as economic, political, or social events.

Market Value: The price at which a security could presumably be purchased or sold.

Master Repurchase Agreement: A written agreement between the investor and the financial institution or dealer. The Bond Market Association Master Agreement is the standard for this agreement.

Maturity: The final stated date on which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc) are issued and traded.

Money Market Mutual Funds: A defined SEC registered commingled investment security which strives to maintain a net asset value of \$1 at all times and provides daily liquidity

Mortgage-Backed Securities (MBS): Securities created from pools of home mortgages that pay the investor as principal and interest is paid by the home-owner. These securities are highly volatile because they are directly affected by economic conditions and mortgage rates. Some MBS pools are further divided into separate securities called collateralized mortgage obligations (CMO) each of which has unique and often complex risk profiles.

Par Value: The face value of the security.

Portfolio: Collection of securities held by an investor.

Premium: The excess of the price of a security over its face value, excluding any amount of accrued interest bought or sold.

Primary Dealer: Government securities dealers included in the "List of Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve Bank of New York (N.Y.

Fed)” that submit daily reports of market activity and positions and monthly financial statements to the N.Y. Fed and are subject to its informal oversight. Primary dealers include SEC-registered securities brokers-dealers, banks and a few unregulated firms.

Principal: In the context of bonds other than deep-discount debt, the face value or par value of a bond or issue of bonds payable on the stated dates of maturity.

Ratings: An evaluation of credit-worthiness performed by an independent rating service.

Repurchase Agreement (RP or REPO): A buy-sell transaction in which an entity buys securities for a specified period and the seller agrees to repurchase the securities plus interest.

Safekeeping: A service including clearing, safekeeping and income distribution rendered by banks for a fee whereby securities and valuables of all types and descriptions are held on the record of the bank.

Secondary Market: A market in which securities are traded after initial distribution by the issuer.

Securities: A negotiable or nonnegotiable instrument that signifies an ownership interest, the right to an ownership interest or creditor status.

U.S. Treasury Securities: Securities issued by the U.S. Treasury and secured by the taxing ability of the U.S. These securities are highly liquid.

Weighted Average Maturity (WAM): WAM refers to the weighted average maturity of all positions in a portfolio.

Yield: The rate of annual income return on an investment, expressed as a percentage.

ATTACHMENT "A"
STATEMENT OF
PERSONAL BUSINESS RELATIONSHIP

I, _____, am an investment officer for the Nueces County Hospital District (the "Hospital District").

I have a personal business relationship (as defined by the Hospital District's Investment Policy) with _____, a business entity offering to engage in an investment transaction with the Hospital District. This business organization is _____
_____. I (or name of relative and relationship)
_____ (insert name of relative or describe relationship) have/has a personal business relationship with this business organization for the following reasons: (Designate all which are applicable):

- 1) My/his/her ownership of 1% or more of the voting stock or shares of the business organization;
- 2) My/his/her ownership of \$250 or more of the fair market value of the business organization;
- 3) Funds received from the business organization exceed 1% of my/his/her income for the previous year;
- 4) During the previous year I/he/she acquired from the business organization investment with a book value of \$100 or more for my/his/her personal account.

Signed this _____ day of _____, _____.

Signature

Title

ATTACHMENT "B"

NUECES COUNTY HOSPITAL DISTRICT
BROKER/DEALER QUESTIONNAIRE

Page 1 – To be completed by all banks and broker/dealers

Name of Firm: _____

Address: _____

Ownership/affiliation, if appropriate: _____

Primary representative on account: _____

Telephone: _____

Fax: _____

E-Mail: _____

Backup representative or trading assistant: _____

Telephone: _____

Branch Manager: _____

Telephone: _____

Fax: _____

E-Mail: _____

Is the firm designated as a Primary Dealer by the Federal Reserve? _____

Is the firm registered with the Texas Securities Board? _____

Are the firm and its representative registered with the NASD? _____

CRD Number: _____

How long has the designated representative been an institutional fixed income broker at this firm?
_____ A broker? _____

In what market sectors does the primary account representative specialize? _____

Delivery Instructions:

All transactions shall be completed delivery versus payment.

BROKER/DEALER QUESTIONNAIRE

Page 2 – To be completed only by Non-Primary Dealers

Name of Firm: _____ CRD #: _____

Years in business at this location: _____ Total years: _____

Indicate the approximate sales volume in the following sectors for the previous year.

U.S. Treasuries	_____
Repo	_____
U.S. Agencies	_____
MBS	_____
CP	_____
Other?	_____

Has your firm, or this account representative, been subject to a regulatory agency, state of _____, or federal investigation for alleged improper, disreputable, unfair, (or) fraudulent activities related to the sale of securities or money market instruments in the past five years? Are there any outstanding claims? If yes, please explain.

Please attach a sample of your standard confirmation to be provided to clients.

Please provide the firm's most recent audited financial statements.
(This will be required annually)

What portfolio information do you require from your clients?

What market information do you routinely offer your clients?

CERTIFICATE FOR RESOLUTION

**A RESOLUTION RELATING TO ANNUAL REVIEW AND ADOPTION
OF REVISED INVESTMENT POLICY AND INVESTMENT STRATEGIES**

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

I the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 27th day of June 2023, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

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

and all of said persons were present, except the following absentees: _____, _____, _____, and _____ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

**A RESOLUTION RELATING TO ANNUAL REVIEW AND ADOPTION
OF REVISED INVESTMENT POLICY AND INVESTMENT STRATEGIES**

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: _____
NAYS: _____
PRESENT NOT VOTING: _____
ABSENT: _____

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 27th day of June 2023.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers
Nueces County Hospital 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

BOARD OF MANAGERS RESOLUTION

JUNE 27, 2023

**A RESOLUTION REVIEWING & ADOPTING
LISTING OF QUALIFIED BROKER/DEALERS
AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS**

WHEREAS, the Nueces County Hospital District (the “Hospital District” or “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 the Texas Health and Safety Code (the “Health Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas, including Texas Government Code, Chapter 2256 relating to public funds investment (the “Public Funds Investment Act” or “Act”);

WHEREAS, the Hospital District’s Board of Managers (the “Board”) have been duly appointed pursuant to Health Code, §281.021(a);

WHEREAS, pursuant to collective authorities of Health Code, §281.047 and §281.048, the Board is the Hospital District’s governing body and the Board 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 District;

WHEREAS, the Hospital District is governed by the Public Funds Investment Act and the Board has previously adopted an (i) investment policy, and (ii) list of qualified broker/dealers, both in accordance with the Act;

WHEREAS, the Board desires to comply with annual requirements of the Public Funds Investment Act and §2256.025 thereof requires the Board, or investment committee, to at least annually, review and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Hospital District; and

WHEREAS, in accordance with Public Funds Investment Act, §2256.025, the Board hereby desires to: (i) review its current listing of broker/dealers authorized to engage in investment transactions with the Hospital District; and (ii) adopt, effective August 1, 2023, the listing attached hereto and identified as Exhibit “A” as the District’s authorized broker/dealers list to supersede and replace the current listing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:

1. The Board has reviewed the Hospital District's current list of qualified broker/dealers authorized to engage in investment transactions with the District.
2. The Board hereby adopts the Authorized Broker/Dealer List attached hereto and identified as Exhibit "A" to supersede and replace the current list as the Hospital District's list of qualified broker/dealers who are authorized to engage in investment transactions with the District (the "Authorized Broker/Dealer List"); the Authorized Broker/Dealer List is to be effective August 1, 2023.
3. The broker/dealers shown in the Authorized Broker/Dealer List shall complete and submit the questionnaire forms identified in and required by the District's Investment Policy; acceptability of submitted questionnaire forms shall be determined by the District's Administrator.
4. The Board hereby adopts this Resolution to affirm the preceding Resolves as required by Public Funds Investment Act, §2256.025.
5. The Administrator shall be and is expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.
6. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the Hospital District.
7. This Resolution shall take effect and be in full force and effect upon and after its passage.
8. The Board retains its right to amend or repeal this Resolution at any time.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

John E. Valls
Chairman

Vishnu V. Reddy, M.D.
Vice Chairman

Sylvia Tryon Oliver
Member

Belinda Flores, RN
Member

Judge Mariana Garza
Member

Efrain Guerrero, Jr.
Member

Arthur Granado
Member

Exhibit "A"

NUECES COUNTY HOSPITAL DISTRICT

AUTHORIZED BROKER/DEALER LIST

Effective August 1, 2023

See attached list.

Nueces County Hospital District Approved Broker/Dealer List Effective August 1, 2023

Academy Securities ²	MarketAxess Corporation
Bank of America/Merrill Lynch ¹	Mizuho Securities ¹
Barclays Capital Inc.	Moreton Capital Markets
BMO Capital Markets ¹	Morgan Stanley ¹
BNY Capital Markets	Multi-Bank Securities ²
BOK Financial	Oppenheimer
Brean Capital	Piper Sandler & Co
Cantor Fitzgerald & Co. ¹	PNC Capital Markets LLC
CastleOak Securities ²	Raymond James
D.A. Davidson	RBC Securities ¹
Daiwa Capital Markets ¹	Rice Financial
FHN Financial	Robert W. Baird
FNC	Santander US Capital Markets ¹
Goldman Sachs & Co. ¹	Siebert Williams Shank ²
Great Pacific ²	Stephens Inc
Hilltop Securities	Stifel Nicolaus
Huntington Bank	StoneX Group Inc.
InspereX (formerly InCapital)	TD Securities ¹
Jefferies ¹	TRUIST Securities Inc. (formally Suntrust)
JPMorgan Securities ¹	UBS Financial ¹
Keybanc Capital Markets	UMB Financial Services
Loop Capital Markets	Wells Fargo ¹

Note: Direct issuers of CP and CDs are considered to be approved counterparties if approved as an issuer.

1 Primary Government Securities Dealer

2 Minority, Woman owned, or Service Disabled-Veteran owned Enterprise

CERTIFICATE FOR RESOLUTION

**A RESOLUTION REVIEWING & ADOPTING
LISTING OF QUALIFIED BROKER/DEALERS
AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS**

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

I the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 27th day of June 2023, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

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

and all of said persons were present, except the following absentees: _____, _____, _____, and _____ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

**A RESOLUTION REVIEWING & ADOPTING
LISTING OF QUALIFIED BROKER/DEALERS
AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS**

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: _____
NAYS: _____
PRESENT NOT VOTING: _____
ABSENT: _____

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 27th day of June 2023.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers
Nueces County Hospital District

{SEAL}

Texas Legislature Online History

Bill: HB 4844

Legislative Session: 88(R)

Council Document: 88R 8300 MPF-F

Last Action: 06/18/2023 E Effective immediately

Caption Version: Enrolled

Caption Text: Relating to the use of a broker for the sale of real property by the Nueces County Hospital District.

Author: Herrero

Sponsor: Hinojosa

Subjects: NUECES COUNTY HOSPITAL DISTRICT (D0134)
Special Districts & Authorities--Hospital (I0750)
REAL ESTATE BROKERS (S0214)

Companion: SB 2056 by Hinojosa, Identical

House Committee: County Affairs

Status: Out of committee

Vote: Ayes=8 Nays=0 Present Not Voting=0 Absent=1

Senate Committee: Local Government

Status: Out of committee

Vote: Ayes=9 Nays=0 Present Not Voting=0 Absent=0

Actions: (descending date order)

Viewing Votes: Most Recent House Vote | Most Recent Senate Vote

	Description	Comment	Date ▼	Time	Journal Page
E	Effective immediately		06/18/2023		
E	Filed without the Governor's signature		06/18/2023		6206
E	Sent to the Governor		05/24/2023		5335
S	Signed in the Senate		05/23/2023		2478
H	Signed in the House		05/22/2023		4736
H	Reported enrolled		05/20/2023	05:49 PM	4754
H	Senate passage reported		05/19/2023		4617
S	Record vote		05/19/2023		2169
S	Passed		05/19/2023		2169
S	Read 3rd time		05/19/2023		2169
S	Record vote		05/19/2023		2169
S	Three day rule suspended		05/19/2023		2169
S	Vote recorded in Journal		05/19/2023		2169
S	Read 2nd time & passed to 3rd reading		05/19/2023		2169
S	Rules suspended-Regular order of business		05/19/2023		2169
S	Placed on intent calendar		05/19/2023		
S	Committee report printed and distributed		05/17/2023	06:25 PM	
S	Recommended for local & uncontested calendar		05/17/2023		
S	Reported favorably w/o amendments		05/17/2023		2063
S	Vote taken in committee		05/16/2023		
S	Testimony taken in committee		05/16/2023		
S	Considered in public hearing		05/16/2023		
S	Scheduled for public hearing on . . .		05/16/2023		
S	Posting rule suspended		05/15/2023		1920
S	Referred to Local Government		05/01/2023		1440
S	Read first time		05/01/2023		1440
S	Received from the House		05/01/2023		1408
H	Reported engrossed		04/28/2023	03:03 PM	2508

H Statement(s) of vote recorded in Journal		04/28/2023		2356
H Record vote	RV#719	04/28/2023		2356
H Passed		04/28/2023		2356
H Read 3rd time		04/28/2023		2356
H Passed to engrossment		04/27/2023		2262
H Read 2nd time		04/27/2023		2262
H Placed on General State Calendar		04/27/2023		
H Considered in Calendars		04/25/2023		
H Committee report sent to Calendars		04/18/2023		
H Committee report distributed		04/17/2023	03:40 PM	
H Comte report filed with Committee Coordinator		04/17/2023		1617
H Reported favorably as substituted		04/12/2023		
H Committee substitute considered in committee		04/12/2023		
H Considered in public hearing		04/12/2023		
H Left pending in committee		04/05/2023		
H Testimony taken/registration(s) recorded in committee		04/05/2023		
H Committee substitute considered in committee		04/05/2023		
H Considered in public hearing		04/05/2023		
H Scheduled for public hearing on . . .		04/05/2023		
H Referred to County Affairs		03/23/2023	12:03 PM	858
H Read first time		03/23/2023		858
H Filed		03/10/2023		

AN ACT

relating to the use of a broker for the sale of real property by the Nueces County Hospital District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 281, Health and Safety Code, is amended by adding Section 281.061 to read as follows:

Sec. 281.061. NUECES COUNTY HOSPITAL DISTRICT; BROKER AGREEMENTS AND FEES FOR SALE OF REAL PROPERTY. (a) In this section:

(1) "Broker" means a person licensed as a broker under Chapter 1101, Occupations Code.

(2) "District" means the Nueces County Hospital District.

(3) "Fair market value" means the price that a property would bring in an arms-length transaction when offered for sale by a person who wishes, but is not obliged, to sell the property and when bought by a person who is under no necessity of buying the property. The value shall be determined as if the property were available for immediate possession and for use for any reasonable purpose.

(b) Except as provided by Subsection (c), the Nueces County Hospital District may contract with a broker to sell a tract of real property that is owned by the district.

(c) The district may not contract with a broker who is

1 related within the third degree of consanguinity or affinity, as
2 determined under Chapter 573, Government Code, to:

3 (1) a member of the board of hospital managers of the
4 district; or

5 (2) a public official who serves on the Nueces County
6 Commissioners Court.

7 (d) The district may pay a fee if a broker produces a ready,
8 willing, and able buyer to purchase a tract of real property.

9 (e) If a contract made under Subsection (b) requires a
10 broker to list the tract of real property for sale for at least 30
11 days with a multiple-listing service used by other brokers in the
12 county in which the real property is located, the district, on or
13 after the 30th day after the date the property is listed, may sell
14 the tract of real property to a ready, willing, and able buyer who
15 is produced by any broker with whom the district may contract under
16 Subsection (c) using the multiple-listing service and who submits
17 the most advantageous offer.

18 (f) The district must post a notice of intent to sell the
19 real property in a newspaper of general circulation, not less than
20 once, at least 30 days before the date the district accepts an offer
21 produced by a broker.

22 (g) The district may sell a tract of real property under
23 this section without complying with the requirements of Section
24 272.001, Local Government Code.

25 (h) The district may not sell a tract of real property under
26 this section for less than the fair market value of the tract of
27 real property, as determined by an independent appraisal prepared

1 by an appraiser certified under Chapter 1103, Occupations Code, and
2 obtained by the district in accordance with Subsection (j).

3 (i) The district may not sell a tract of real property under
4 this section to a buyer who:

5 (1) is related within the third degree of
6 consanguinity or affinity, as determined under Chapter 573,
7 Government Code, to:

8 (A) a member of the board of hospital managers of
9 the district;

10 (B) a public official who serves on the Nueces
11 County Commissioners Court; or

12 (C) the broker for the sale; or

13 (2) has a business or financial relationship with a
14 member of the board of hospital managers of the district or a public
15 official who serves on the Nueces County Commissioners Court that
16 could reasonably be expected to materially and adversely affect the
17 judgment of the member or public official.

18 (j) The district may not obtain an appraisal under
19 Subsection (h) from an appraiser who is related within the third
20 degree of consanguinity or affinity, as determined under Chapter
21 573, Government Code, to:

22 (1) a member of the board of hospital managers of the
23 district; or

24 (2) a public official who serves on the Nueces County
25 Commissioners Court.

26 SECTION 2. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

H.B. No. 4844

1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2023.

President of the Senate

Speaker of the House

I certify that H.B. No. 4844 was passed by the House on April 28, 2023, by the following vote: Yeas 139, Nays 2, 3 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4844 was passed by the Senate on May 19, 2023, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor

LAW OFFICE OF
GAFFNEY & GAFFNEY
A LAW CORPORATION

MICHAEL G. GAFFNEY
CHRISTOPHER M. GAFFNEY

3015 19th STREET
METAIRIE, LOUISIANA 70002
TELEPHONE: 504-299-7169
FACSIMILE: 504-335-1915

June 16, 2023

VIA ELECTRONIC FILING

ATTN: FEMA Arbitration Administrator
Civilian Board of Contract Appeals
1800 M Street, N.W., Room 6006
Washington, D.C. 20036

Re: **Request for Arbitration**

In Re: FEMA Grants Manager Project Number (GMPN) 674808/Project
Worksheet (PW) 00676 and its First Appeal Decision, and Related
Matters
Subrecipient: Nueces County Hospital District
FIPS: 355-UONZ4-00
Declaration No.: FEMA-4485-DR-TX (Covid 19 Pandemic)

Dear FEMA Arbitration Administrator:

Our office represents the Nueces County Hospital District. Please accept this letter and attached Memorandum as the formal Request for Arbitration on behalf of the Subrecipient, the Nueces County Hospital District, pursuant to the provisions of the Disaster Recovery Reform Act Section 1219, which amended Section 423(d) of the Stafford Act (42 U.S.C. 5189(a)).

Enclosed with this correspondence is the “*Nueces County Hospital District’s Request for Arbitration of GMPN 674808, PW 676, its First Appeal Decision, and Related Matters*” along with the arbitration exhibits submitted in support of this Request for Arbitration.

A copy of this request and the exhibits are being simultaneously sent to both FEMA and the Texas Division of Emergency Management.

We respectfully request that the hearing be held both in person before the CBCA in Washington, DC, in New Orleans, in Houston, and by zoom.

Thank you in advance for your consideration of this Request for Arbitration.

If you should have any questions that require any additional information or documentation, please do not hesitate to contact our office.

Very truly yours,
/s/ Michael G. Gaffney
Michael G. Gaffney

cc: Derek Richardson, Texas Infrastructure Branch Director, Texas Recovery Office, Region 6; Derek.Richardson.2@fema.dhs.gov
Tony Robinson, FEMA Regional Administrator, 800 N. Loop 288, Denton, TX 76209
Traci Brasher, Traci.brasher@FEMA.dhs.gov
Richard Cain, Richard.cain@FEMA.dhs.gov
Nancy Cuellar, Recovery Coordinator, Texas Division of Emergency Management; nancy.cuellar@tdem.texas.gov
Logan Hurley, Texas Division of Emergency Management, logan.hurley@cohnreznick.com
Cory McCabe, Texas Division of Emergency Management, cory.mccabe@cohnreznick.com
Judy Lucio, Judy.lucio@tdem.Texas.gov
Juan Alaniz, Juan.Alaniz@tdem.Texas.gov
John O'Valle, John.Ovalle@tdem.Texas.gov
Joshua Bryant, Joshua.Bryant@tdem.Texas.gov
Tho Do, tho.do@home.com
Jonny F. Hipp, Jonny.Hipp@nchdcc.org
[Mary Esther Guerra, Maryesther.guerra@nuecesco.com](mailto:Maryesther.guerra@nuecesco.com)
[Belinda Espinoza, Belinda.Espinoza@nchdcc.org](mailto:Belinda.Espinoza@nchdcc.org)
[John B. Martinez, john@mrtrial.com](mailto:John.B.Martinez@mrtrial.com)

REQUEST FOR ARBITRATION

IN RE: FEMA PROJECT WORKSHEET NUMBER 00676, PN 674808, and its FIRST APPEAL DECISION, AND RELATED MATTERS

SUBRECIPIENT: Nueces County Hospital District, Texas
FACILITY: Coronavirus Disease 2019 (COVID 19 Pandemic)
FIPS: 355-UONZ4-00
FEMA PW NO.: PW 00676, PN 674808, and its First Appeal Decision dated April 18, 2023

NUECES COUNTY HOSPITAL DISTRICT, Texas REQUEST FOR ARBITRATION OF GRANTS MANAGER PROJECT NUMBER (GMPN) 674808 PROJECT WORKSHEET NUMBER 00676, its FIRST APPEAL DECISION, and RELATED MATTERS

MAY IT PLEASE THIS HONORABLE ARBITRATION PANEL:

I. STATEMENT OF SUBJECT MATTER JURISDICTION:

This honorable arbitration panel is granted subject matter jurisdiction over this dispute pursuant to the provisions of the Disaster Recovery Reform Act of 2018 (DRRA) Section 1219 which amended Section 423(d) of the Stafford Act (42 U.S. C. 5189(a)) and the regulations at 44 CFR 206.206(b)(3)(iii)(B)(2). This arbitration is filed in compliance with the CBCA promulgated rules and the regulations at 48 CFR part 6106.

The dispute arises from Covid 19 Pandemic, FEMA-4485-DR-TX, a disaster declared after January 1, 2016. The amount in dispute in this matter exceeds Five Hundred Thousand Dollars (\$500,000.00) or is greater than One Hundred Thousand Dollars (\$100,000.00) for an applicant for assistance in a rural area. A First Appeal pursuant to the requirements of 44 CFR 206.206 was timely submitted. The Regional Administrator has denied a first appeal decision or received a first appeal but has not rendered a decision within 180 calendar days of receipt. The negative First Appeal decision is dated April 18, 2023.

A Request for Arbitration “must contain a written statement that specifies the amount in dispute, all documentation supporting the position of the Applicant, the disaster number, the name and address of the applicant’s authorized representative or counsel. (44 CFR 206.206).” “The Subrecipient/subgrantee may provide supporting documentation not previously included in the project.” (Rule 6106.608) The respondent/FEMA has different jurisdictional requirements to simultaneously submit a response in support of its position, a copy of the project worksheet(s), and any supporting documentation to the arbitration administrator, the Recipient, and the Subrecipient.

In light of the grant of subject matter jurisdiction to this panel, the **Nueces County Hospital District**, Texas (hereinafter sometimes referred to as “Applicant”, “Subrecipient”, “Nueces”, or “NCHD”) files this Request for Arbitration, pursuant to Disaster Recovery Reform Act of 2018 (DRRA) Section 1219 which amended Section 423(d) of the Stafford Act (42 U.S. C. 5189(a)) in lieu of taking a Second Administrative Appeal of Project Worksheet No. 00676, Project Number (“GMPN”) 674808, and the negative First Appeal Decision rendered in this matter dated April 18, 2023.¹

Accordingly, the Nueces County Hospital District requests that this Honorable Panel review the record provided herewith, along with the testimony to be presented at the oral presentation, and determine that the Subrecipient is entitled to reimbursement for the costs incurred for the work performed:

- in compiling and analyzing data and developing a plan and strategy for the effective distribution and administration of the Covid 19 vaccines to disadvantaged communities in rural south Texas,
- addressing public health problems in these disadvantaged communities arising from the Covid 19 pandemic, and
- assuring that the Covid vaccines were equitably distributed:

Texas Health Institute	\$118,127.00
Accenture, LLP	<u>\$385,000.00</u>
Total	\$503,127.00

We respectfully request that the hearing be held in person before the CBCA in Washington, DC, in New Orleans, in Houston, and also by Zoom.

This Request for Arbitration submission is made on the basis that:

Nueces County Hospital District respectfully requests that the panel determine that it is entitled to the relief requested based upon:

- (1) the entire administrative record herein, including the District’s response to the Request for Information, which administrative record was before FEMA when it drafted this Project Worksheet and the First Appeal Decision;
- (2) the additional documentation in the form of the exhibits attached hereto
- (3) the additional exhibits to be provided pursuant to the regulations, rules, and orders of the CBCA; and
- (4) the testimony to be provided at the hearing of this matter.

1 Please see Exhibit 1.

II. INTRODUCTION:

Brief History-Covid 19

The Coronavirus disease (Covid-19) is an infectious disease caused by the SARS-CoV-2 virus.

Nueces County Hospital District is responsible for providing high quality, affordable, and accessible health care services to the indigent and needy residents of Nueces County.²

Nueces County, Texas has a population of 353,178. It is located in southeast Texas. 18.2% of the population of Nueces County lives in poverty. 63.8% of the population of Nueces County is Hispanic.

Timeline for Covid-19 Pandemic

Below is a timeline from the Center for Disease Control which outlines the fast progression of this dangerous disease which impacted our country and the world.³ Some of the most important dates are as follows:

As the world became aware of the potential danger of human-to-human transmission, the initial response in January 2020 by the US was to restrict travel into the US from China.

- By March 11, 2020, after more than 118,000 cases in 114 countries with 4,291 deaths, the World Health Organization (“WHO”) declared Covid 19 is a pandemic.
- By March 15, 2020, states throughout the US began to implement shutdowns and stay at home orders in order to prevent the spread of Covid 19.

The President issues an Emergency Declaration

- On March 25, 2020, the President declared a major declaration for the State of Texas in response to the Coronavirus Disease 2019 (Covid 19) Pandemic.

The deaths from Covid 19 escalate and the Pandemic rages

- On March 31, 2020, Dr. Fauci announces that he expects between 100,000 and

2 See Nueces County Hospital District Website.

3 Please see exhibit 2.

240,000 deaths in the United States from Covid 19.

- On April 6, 2020, hundreds of doctors and civil rights groups urge the CDC and the US Government to release race and ethnicity data on Covid 19 case numbers in order to reveal the true impact of the virus on communities of color.
- On April 7, 2020, the Chicago Department of Public Health reports a significant racial disparity of Covid infection and death.
- On April 28, 2020, polls show that many young people and low-income people plan to defer medical care because of the cost of treatment and being underinsured.
- By July 7, 2020, the number of confirmed Covid 19 cases in the United States surpassed 3 million (3,000,000).
- By August 4, 2020, it is reported that more than 50% of all people living in rural areas in the United States have no ICU beds available.
- By August 17, 2020, deaths from Covid 19 in the United States exceed 1,000 per day.
- On September 23, 2020, Health and Human Services (“HHS”) and the Center for Disease Control (“CDC”) awarded states, and local jurisdictions Two Hundred million Dollars (\$200,000,000.00) to support vaccine distribution for Covid-19.
- **On October 27, 2020, Nueces County executed an agreement with THI (Texas Health Institute) to provide data and expertise to assist in determining Nueces County’s social determinants of health and Covid 19 impacts to guide an equitable recovery for all county residents.**
- On November 9, 2020, the Food and Drug Administration (“FDA”) issued an Emergency Use Authorization (“EUA”) for Eli Lilly’s monoclonal antibody treatment.
- On November 16, 2020, Moderna’s Covid 19 vaccine is found to be 95.4% effective.
- On November 18, 2020, Pfizer-BioTech’s Covid 19 vaccine is found to be 95% effective.

The first Covid 19 vaccines are FDA authorized

- December 11, 2020, the FDA issues an EUA for Pfizer's vaccine.
- December 18, 2020, the FDA issues an EUA for Moderna's vaccine.
- December 22, 2020, CDC releases its recommendations for the allocation of vaccines which are limited in supply.
- **Beginning in January 2021, Accenture provides its data to Nueces County Hospital District.**
- **Save Our Seniors (SOS) program begins vaccinations in Nueces County.**
- January 18, 2021, the death toll from Covid-19 in the United States surpasses four hundred thousand (400,000).
- February 16, 2021, vaccine distribution is disrupted in several states including Texas due to severe storms.
- February 21, 2021, the reported death toll from Covid 19 in the United States surpasses Five Hundred Thousand (500,000).
- February 27, 2021, FDA approves an EUA for Johnson and Johnson's vaccine.
- March 11, 2021, Biden Administration announces its plan for all Americans to be vaccinated.
- March 17, 2021, CDC announces spending to address Covid 19 disparities for people living in rural areas and racial and ethnic minority groups.
- March 25, 2021, CDC announces funding to address disparities in access to Covid 19 immunization etc,
- April 3, 2021, CDC announces additional funding for expanded the Covid 19 vaccination programs.
- **April 2021, the Texas Health Institute releases its completed final report to Nueces County Hospital District.**

- **April 2021 35 Texas Counties participating in and 50,000 Texans vaccinated through the SOS (Save our Seniors) initiative.** ⁴

Distribution and Administration of Covid 19 Vaccines

The initial problem for the US Vaccination Program was the allocation of the limited supply of available vaccines. The CDC provided guidance on its recommended criteria for distribution. This guidance was helpful in making life or death triage decisions during this initial period of time wherein the vaccine supply was very limited.

As the supply of vaccines became more and more available, the effort was made to immunize the entire US population for the benefit of the health and safety of all of the citizens of the U.S. The free administration at mass vaccination centers was the forefront of this massive widespread effort to vaccinate the entire population.

Public Health problem with minority and disadvantaged rural communities

The problem became how to vaccinate those populations which did not come to the mass vaccination centers. Studies showed that there was a problem with the distribution and administration of the vaccination in rural communities, especially the minority and disadvantaged rural communities.

The Nueces County Office of Emergency Management (NCOEM) Director recognized this problem and, in an effort to solve this public health and safety issue reached out to the Nueces County Hospital District to assist her in developing a strategy and plan to distribute and administer vaccinations to the underserved rural minority and disadvantaged citizens who would not come to the mass vaccine centers to receive a Covid-19 vaccination.

This arbitration concerns the response to Covid 19

by

Nueces County Hospital District

1. Need to develop a strategy or plan to respond to Covid 19

In response to the request by Nueces County's Emergency Management Director to assist the County in the vaccination of the underserved minority and disadvantaged citizens of rural

⁴ See Rauhaus, Beth M., Deborah A. Sibila, and Mary Mahan. 2022. "Collaboration in Crisis: Utilizing the SOS Program, an At-Home COVID-19 Vaccine Administration Initiative, to Demonstrate Best Practices in Emergency Management Collaboration." Public Administration Review 1-5. <https://doi.org/10.1111/puar.13573>

Nueces County, the Nueces County Hospital District agreed to develop a strategy or plan to vaccinate the underserved minority and disadvantaged rural population which is the specific population which it serves. This work was a direct effort by the Hospital District for the purpose of eliminating or lessening the immediate threat of Covid 19 to the lives, public health, and safety of its community.

2. Information and Data drive decisions

To vaccinate this rural population, the Nueces County Hospital District developed a plan of action to slow the spread of Covid-19 and to distribute vaccines to the underserved population of the county.

To develop a well thought out functioning strategic plan, data on the rural communities had to be obtained. The data necessary to slow the spread of Covid-19 and distribute and administer vaccines in this rural disadvantaged population included information on the novel questions which the hospital district needed answers to. These questions were:

Who were the people that did not visit the mass vaccination centers?

Where are these people located?

How could these communities best be reached?

How could these communities be convinced to get vaccinated?

Nueces hired Accenture to gather the data and information essential to develop a strategy and plan to effectively distribute and administer the Covid 19 vaccine to these rural disadvantaged communities. As one county leader properly stated: “**data drives the best decisions.**”⁵ This data was compiled with the specific objective of delivering Covid 19 vaccines to the citizens of these rural communities who refused or otherwise did not come to mass vaccination centers to receive one of the three free Covid 19 vaccines.

3. The work undertaken by NCHD is reimbursable under FEMA Guidance and Executive Orders

In addition to this specific objective of NCHD and the NCOEM, this plan and strategy served the general requirement of the U.S. government that the vaccines be delivered to communities of color and other underserved populations . . . and those with limited English proficiency.⁶ Hence, the data collected helped to originate the Save Our Seniors (SOS) program which was created by Nueces County officials to vaccinate the community's most vulnerable citizens amidst the COVID-19 pandemic by identifying individuals needing the vaccine but unable

⁵ See Rauhaus, Beth M., Deborah A. Sibila, and Mary Mahan. 2022. “Collaboration in Crisis: Utilizing the SOS Program, an At-Home COVID-19 Vaccine Administration Initiative, to Demonstrate Best Practices in Emergency Management Collaboration.” Public Administration Review 1–5. <https://doi.org/10.1111/puar.13573>

⁶ See Executive Order Ensuring the Equitable Pandemic Response & Recovery, dated January 21, 2021.

to leave home. The program was soon adopted statewide and beyond.⁷

4. The Strategy and Plan worked

The Texas Health Institute report was finalized in April 2021. This report further advanced the specific objective of NCHD and the NCOEM of establishing a plan and strategy to deliver vaccines to the rural underserved communities by analyzing the data compiled by Accenture and formalizing a report.

NCHD reviewed these two reports and in conjunction with the NCOEM developed the successful plan for the delivery of the Covid 19 vaccines to the rural underserved minority communities which otherwise would not have received the Covid 19 vaccines.

This plan was successfully used to deliver Covid 19 vaccines to these rural underserved disadvantaged communities until the end of the Pandemic.

III. ARBITRATION ISSUES:

The issues concern the reimbursement of costs associated with the distribution and administration of COVID-19 vaccine and the healthcare of those suffering from Covid-19

1. Did the work undertaken by Nueces County Hospital District specifically and directly advance the delivery and administration of the Covid 19 vaccines to rural underserved communities so as to reduce dangers of Covid 19 thereby eliminating or lessening the immediate threat to lives, public health, and safety of its community?
2. Did this work undertaken by Nueces County Hospital District reduce dangers of Covid 19 by providing protocols and strategies to vaccinate at home the rural disadvantaged communities, thereby eliminating or lessening the immediate threat to lives, public health, and safety of its community?
3. Did this work of Nueces County Hospital District reduce dangers of Covid 19 by providing proper management of the Covid 19 Health Program so as to provide public health services to the rural disadvantaged communities, thereby eliminating or lessening the immediate threat to lives, public health, and safety of its community?
4. Did the work undertaken by Nueces County Hospital District specifically and directly advance the delivery and administration of the Covid 19 vaccines by providing the necessary data for the effective establishment of seven (7) temporary medical facilities

⁷ See Rauhaus, Beth M., Deborah A. Sibila, and Mary Mahan. 2022. "Collaboration in Crisis: Utilizing the SOS Program, an At-Home COVID-19 Vaccine Administration Initiative, to Demonstrate Best Practices in Emergency Management Collaboration." Public Administration Review 1–5. <https://doi.org/10.1111/puar.13573>

which served as Community Vaccination Sites and may be referred to by FEMA as “Temporary and Expanded Medical Facilities” which eliminated or lessened the immediate threat to lives, public health, and safety of its community?

5. Did the work undertaken by Nueces County Hospital District comply with FEMA Policy 104-21-0004 and as such eliminated or lessened the immediate threat to lives, public health, and safety of its community?
6. Did the work undertaken by Nueces County Hospital District comply with FEMA’s Guidance that the distribution and administration of the response to Covid 19 was equitable?

IV. LAW AND DISCUSSION OF THE ARBITRATION ISSUES:

STATEMENT of ERRORS

The determinations that are the subject of this Request for Arbitration are the FEMA First Appeal determinations set forth below which denied reimbursement to the Nueces County Hospital District’s for the costs associated with its response to solving serious emergency problems with: (1) the distribution and administration of the Covid-19 vaccination to certain disadvantaged communities in rural south Texas and (2) addressing the public health crisis arising in those disadvantaged communities suffering from Covid-19.

Nueces County Hospital District respectfully submits that **the following FEMA Determinations are in error:**

1. The services rendered were not specifically related to eligible emergency work to eliminate or lessen an immediate threat to lives, public health, and safety.
2. The described costs and work are ineligible and are not considered eligible emergency protective measures under statutory and regulatory policy.
3. The underlying work conducted is not directly related to accomplishing specific short-term emergency health and safety tasks necessary to perform emergency protective measures, but instead administrative work normally performed by the Applicant inherent to its responsibility to the indigent and vulnerable constituents of Nueces County and not an immediate threat to lives, public health, and safety.

NUECES COUNTY HOSPITAL DISTRICT’S REQUEST

The Nueces County Hospital District’s work with Texas Health Institute and Accenture was specific to and did reduce the dangers of Covid 19 thereby

**eliminating or lessening the immediate threat to the lives, health, and safety of
the citizens of Nueces County its surrounding communities, and the entire
United States.**

The Nueces County Hospital District's work with Texas Health Institute and Accenture is a FEMA Public Assistance reimbursable expense due to the fact that it was specific to and did directly reduce the dangers of Covid 19 thereby eliminating or lessening the immediate threat to the lives, health, and safety by:

- Compiling and analyzing information and data from hard hit areas necessary to make informed decisions as to the effective administration of the Covid 19 Vaccine.
- Developing a strategy and plan to deliver and administer the Covid 19 Vaccine to individual homes to rural underserved disadvantaged communities in Nueces County.
- Properly managing the administration of the Covid 19 vaccine program.
- Developing a strategy and plan to establish temporary medical facilities to administer vaccines to rural underserved disadvantaged communities in Nueces County.
- Assuring the equitable distribution and vaccination of underserved communities.

Compiling and analyzing information and data from hard hit areas

In 2020 and early 2021, as the public health dangers of the Covid 19 Pandemic became increasing apparent and the death toll of more than 1,000 deaths a day in the United States spiraled out of control, Nueces County Hospital District at the request of the Nueces County Judge acting in the capacity as Emergency Management Director for Nueces County sought solutions to enable the county to respond to the Covid 19 Pandemic.

Like most of the world, information and data to develop a coherent strategic plan to respond to Covid 19 Pandemic was difficult to find and assess.

The importance of data and information was confirmed by the President of the United States!

President Biden's Executive Order stated:

The **lack of complete data**, disaggregated by race and ethnicity, on COVID-19 infection, hospitalization, and mortality rates, as well as underlying health and social vulnerabilities, has further hampered efforts to ensure an equitable pandemic response. Other communities, often obscured in the data, are also disproportionately affected by COVID-19, including sexual and gender minority groups, those living with disabilities, and those living at the margins of our

economy. Observed inequities in rural and Tribal communities, territories, and other geographically isolated communities require a place-based approach to data collection and the response...

It is impossible to change the course of the pandemic without tackling it in the hardest-hit communities. In order to identify and eliminate health and social inequities resulting in disproportionately higher rates of exposure, illness, and death, I am directing a Government wide effort to address health equity...

....

(b) Mission and Work.

....

(i) Consistent with applicable law and as soon as practicable, the Task Force shall provide specific recommendations to the President, through the Coordinator of the COVID-19 Response and Counselor to the President (COVID-19 Response Coordinator), for **mitigating the health inequities caused or exacerbated by the COVID-19 pandemic and for preventing such inequities in the future.**⁵ (Emphasis added)

Nueces County Hospital District was aware of the dangers and the challenges the Covid 19 Pandemic presented to the rural southeast Texas community which it served. This rural community is overwhelmingly Hispanic (63.8%) and contains a significant disadvantaged underserved population which lacked English proficiency population.

As succinctly stated by one county leader “**data drives the best decisions.**”⁸

To address these public health problems, the Nueces County Hospital District sought information and data necessary to develop a plan and strategy to solve these very serious public health concerns. The work and costs which are the subject of this Request for Arbitration were directly in response to the Covid 19 Pandemic crisis. All work was directly and exclusively a specific effort to reduce or eliminate the ongoing immediate threat from Covid 19 to the lives, health, and safety of the citizens of Nueces County its surrounding communities, and the entire population of the United States.

Strategic plan to administer the Covid 19 vaccine to individual homes

The outreach efforts into this community would present a serious public health challenge to efforts to dispense the recently developed vaccines necessary to combat the spread of the Covid 19 Pandemic.

8 See Rauhaus, Beth M., Deborah A. Sibila, and Mary Mahan. 2022. “Collaboration in Crisis: Utilizing the SOS Program, an At-Home COVID-19 Vaccine Administration Initiative, to Demonstrate Best Practices in Emergency Management Collaboration.” Public Administration Review 1–5. <https://doi.org/10.1111/puar.13573>

The “Save our Seniors” plan used the work of Nueces County Hospital District to directly deliver and administer the Covid 19 vaccine in the homes of many individuals in the rural underserved disadvantaged communities and to manage the Save our Seniors program.

In addition, as a result of the work by Nueces County Hospital District, a “Save our Seniors” (SOS) program was created to vaccinate the community’s most vulnerable citizens amongst the Covid 19 pandemic. This program enabled the identification of individuals who were not able to leave their home so that they could be vaccinated in their home.

The local fire department applied to become a vaccine administrator in January 2021 to vaccinate all public safety officials in the local region. Next, EMS personnel in the local fire department began vaccinating elderly at senior centers and at-home, using the Meals on Wheels route. Finally in February 2021, the municipal government opened phone lines for all senior citizens to register for the at-home vaccine program. By Spring, the at-home vaccine program was adopted state-wide. In this program, EMS personnel were tasked with administering the two-dose COVID-19 vaccine to homebound community members. Program recipients included elderly, disabled, homebound, and those without access or inability to use transportation in the municipal area.⁹

Under *Coronavirus (COVID-19) Pandemic: Medical Care Eligible for Public Assistance (Interim) (Version 2) FEMA Policy 104-21-004, 3. Vaccinations:*

Work and associated costs to support the distribution and administration of COVID-19 vaccines may be eligible for PA. The federal government will provide the vaccine itself at no cost. There may be additional costs incurred to support the distribution and administration of the vaccine. Such costs may be eligible for PA funding when they are necessary to effectively distribute and administer COVID-19 vaccines consistent with established vaccine protocols, CDC and/or other applicable public health guidance, and PA program requirements. Eligible work and costs under PA include:

- i. Information Technology (IT) equipment **and systems**, when reasonable and necessary, for patient registration and tracking, vaccine-related inventory management, and/or analytics and reporting needs.

- k. Vaccination administration consistent with equitable pandemic response and recovery.

The CDC Guidance “*Pre-vaccination planning for vaccination of homebound persons*” made clear that providers vaccinating homebound persons should carefully pre-plan to understand how they can most efficiently prevent vaccine wastage and ensure safe and effective vaccination... by, among other things (1) “Estimating the number of doses needed as accurately as possible.

⁹ Rauhaus BM. Public Service Motivation of Street- Level Bureaucrats Amidst the COVID-19 Pandemic: An Analysis of Experiences in Implementation of an at-Home Vaccination Program. *State and Local Government Review*. 2022 Mar;54(1):82–91. doi: 10.1177/0160323X221079242. PMCID: PMC8847698

By analyzing data on social determinants of health through an analytics platform, emergency management officials can identify areas or populations that are at a higher risk during emergencies. This information enables targeted resource allocation, ensuring that critical resources such as medical supplies, personnel, and support services are directed to the areas and populations that need them the most, thus reducing the threat to lives and public health.

An analytics platform aids in the identification of areas with higher rates of chronic diseases, limited access to healthcare, or environmental hazards. With this information, proactive interventions and preventive measures were implemented, such as public health campaigns, outreach programs, or targeted healthcare services, to lessen the threat to lives, public health, and safety. It is the method by which Nueces County addressed health disparities and risk factors. By using this data-driven approach, emergency management officials were able to make more effective decisions, reduce response times, and allocate resources efficiently, thereby lessening the immediate threat to lives, public health, and safety.

Management of Covid 19 Program is an eligible expense

This FEMA guidance supports the eligibility of the work and costs incurred by Nueces County Hospital District as all the work by Accenture and by Texas Health Institute was provided by Nueces to the local Emergency Management Director who worked together in the management and control of the spread of the Covid 19 Pandemic to save lives.

Finally, this work by Nueces County Hospital District was used to plan and target the communication of health and safety information to the rural disadvantaged communities in Nueces County so as to combat the spread of Covid by addressing the concerns of the disadvantaged communities.

Law and Disaster Specific Guidance- Delivery and Administration of Vaccines

44 CFR §206.223(a)(1) is the governing regulation for Emergency Protective Measures. This regulation provides that the Work must be necessary as a direct result of the emergency or major disaster.

FEMA has provided specific guidance under the Public Assistance Program to address some of the unique issues presented by the Covid 19 Pandemic.¹⁰

¹⁰ Fact Sheet Coronavirus (Covid 19) Pandemic: Eligible Emergency Protective Measures. March 19, 2020.; FEMA Fact Sheet Coronavirus (Covid 19) Pandemic: Emergency Medical Care. 3/30/20; Coronavirus (Covid 19) Pandemic: Medical Care Costs Eligible for Public Assistance, FEMA Policy FP 104-010-04; FEMA Fact Sheet May 12, 2020. Coronavirus (Covid 19) Pandemic: Alternate Care Site (ACS) “Warm Sites” added)

Fact Sheet: *Coronavirus (Covid 19) Pandemic: Eligible Emergency Protective Measures*. March 19, 2020, provides the following disaster specific guidance:

Under the COVID-19 Emergency Declaration, FEMA may provide assistance for emergency protective measures **including, but not limited to**, (Emphasis added) the following:

....

Management, control, and reduction of immediate threats to public health and safety:

....

Technical assistance to state, tribal, territorial or local governments **on** emergency management and **control of immediate threats to public health and safety**

....

Emergency medical care:

....

Temporary medical facilities and/or enhanced medical/hospital capacity (for treatment when existing facilities are reasonably forecasted to become overloaded in the near term and cannot accommodate the patient load or to quarantine potentially infected persons)

....

Communications of general health and safety information to the public (Emphasis added)

Temporary Medical Facilities

The work by Nueces County Hospital District not only created the plan and strategy to deliver and administer the Covid 19 vaccines, the work undertaken provided the necessary information and data for the establishment of temporary medical facilities necessary to serve the rural disadvantaged communities.

Nueces County used this work to determine the best locations to establish the temporary medical facilities. This also satisfies FEMA’s guidance for eligibility for Nueces work.

This work by Nueces County Hospital District was critical in determining the location of the seven (7) temporary medical facilities used as Community Vaccination Sites in the rural disadvantaged communities so as to accommodate and/or quarantine potentially infected persons.

The following table lists the community vaccination sites opened as a direct result of this study in the locations identified as a result of the work by Nueces County Hospital District.

Site Name	Site Address	Site GPS Coordinates	CDCSVI (2018)
-----------	--------------	----------------------	---------------

Antonio Garcia Arts & Entertainment Center	2021 Agnes St, Corpus Christi, TX, 78405	27.786635, -97.411754	0.9198
Greenwood Senior Center	4040 Greenwood Dr., Corpus Christi, TX, 78416	27.759293, -97.4306	0.9134
Molina Veterans Park	1150 Bloomington St., Corpus Christi, TX, 78416	27.758416, -97.441712	0.8956
Nueces County Courthouse	901 Leopard St., Corpus Christi, TX, 78401	27.794896, -97.400551	0.805
RTA Staples Transfer Station	602 N. Staples St., Corpus Christi, TX, 78401	27.795822, -97.402427	0.805
Salinas Park	1354 Airport Rd., Corpus Christi, TX, 78405	27.795822, -97.402427	0.9539
Physician's West	2601 Hospital Blvd, Corpus Christi, TX, 78405	27.778748, -97.417961	0.9198

These two strategies and programs are the direct impact that the work by Nueces County Hospital District had in eliminating or lessening the immediate threat of Covid 19 to lives, public health, and safety of its community.

Law and Disaster Specific Guidance- Temporary Medical Facilities

FEMA’s Guidance at Coronavirus (Covid 19) Pandemic: Medical Care Costs Eligible for Public Assistance, FEMA Policy FP 104-010-04 provides, in relevant part, as follows:

Temporary and Expanded Medical Facilities.

FEMA may approve work and costs associated with temporary medical facilities or expanded medical facilities when necessary in response to the COVID- 19 Public Health Emergency. These facilities may be used to treat COVID-19 patients, non-COVID-19 patients, or both, as necessary.

Medical care activities and associated costs related to treating both COVID-19 and non-COVID-19 patients in a temporary or expanded medical facility may be eligible.

....

- b. Eligible costs for temporary and expanded medical facilities include:
 - i. All eligible items and stipulations included in Section C.1 Primary Medical Care Facility, but applicable to both COVID-19 and non-COVID-19 patients;
 - ii. Lease, purchase, or construction costs, as reasonable and necessary, of a temporary facility as well as reasonable alterations to a facility necessary to provide medical care services;
 - iii. Mobilization and demobilization costs associated with setting up and closing the temporary or expanded medical facility;
 - iv. Operating costs including equipment, supplies, staffing, wraparound services

(as defined in the Definitions section at the end of this document), and clinical care not covered by another funding source; and
v. Maintenance of a temporary or expanded medical facility in an operationally ready but unused status available for surge capacity for COVID-19 readiness and response when necessary to eliminate or lessen an immediate threat to public health and safety, based on public health guidance, location of areas expected to be impacted, and local/state hospital bed/ICU capacity.

....

Ongoing and projected needs regarding continuing operations at a temporary or expanded medical facility should be based on regular assessments and the Applicant must document the review process to support its decision making.

....

The assessments and supporting information are necessary to determine eligibility of claimed costs and should align with PA reasonable cost guidance provided in the PAPPG and the Public Assistance Reasonable Cost Evaluation Job Aid.

....

e. For temporary and expanded medical facilities, and the specific type of temporary medical facilities known as Alternate Care Sites, administrative activities and associated costs necessary for the provision of essential medical services are eligible.

The work by Nueces County Hospital District is eligible work pursuant to FEMA Policy 104-21-0004

FEMA establishes that as a condition of receiving financial assistance, "Recipients and Subrecipients must focus the use of FEMA funding on the highest-risk communities and underserved populations as determined by established measures of social and economic disadvantage (e.g., the CDC Social Vulnerability Index)." As further outlined within FEMA's *Equitable COVID-19 Response and Recovery: Recipient and Subrecipient Job Aid*, the Equitable Vaccine Administration Requirements include the identification of target populations and the highest-risk communities, the evaluation of whether these communities are being reached, and refinement of strategies to ensure delivery is equitable from the collection of demographic data. NCHD's responsibility and costs submitted with this Request for Arbitration align directly with FEMA's requirements.

In addition to the statutory authorities that authorize the performance of these eligible emergency protective measures, NCHD performed these actions as a direct request by the Nueces County Office of Emergency Management (NCOEM) to assist in the County's COVID-19 emergency protective measures. As outlined by the *Public Assistance Program and Policy Guide (PAPPG)*, Version 3.1{2018}, to be eligible under the FEMA PA program, work must be required as a direct result of the declared incident. Following the announcement of federally provided COVID-19 vaccination allocations

and in line with government orders directing a government-wide effort "to prevent and remedy differences in COVID-19 care and outcomes within communities of color and other underserved populations" NCOEM sought to compile, analyze, and evaluate the County's COVID-19 vulnerabilities on a jurisdictional level to ensure an equitable disbursement of these vaccine allocations.

NCOEM worked with the CCNCPHD on COVID-19 vaccination efforts to (a) identify critical populations groups and develop strategies for ensuring these populations were appropriately included in the priority schedule for vaccination, and (b) determine need for additional vaccination services such as satellite or off-site clinics to meet needs not met by currently enrolled COVID-19 providers. Due to being fully involved in other active COVID-19 emergency response measures and the limited availability of the County's direct resources, NCOEM requested that NCHD undertake the contracting and funding of this work with the County's advisement to engage with the recommended vendors, Accenture LLP, and the Texas Health Institute (THI). Further exemplified within the NCHD Board of Manager's meetings so the costs associated with the performance of this work were unbudgeted and categorized as a direct request for COVID-19 assistance from NCOEM.

NCHD then contracted with Accenture and THI for this COVID-19 work. Per Accenture's associated Statement of Work (SOW) under contract DIR-TS0-4062, from October 23, 2020 to April 13, 2021, Accenture operationalized data analysis tools specifically to identify, operationalize, and monitor key measures for COVID-19 community health equity and resilience. Data reported specified the Nueces County demographic characteristics, leading causes of death, key population health attributes, healthcare spending, access to healthcare, healthcare systems, social and economic environments, public health and prevention, and physical environments. Accenture's additional Statement of Work (SOW) under contract DIR-TS0-4005 from March 8, 2021, to April 30, 2021, included scope to assist the jurisdiction in identifying, procuring, and implementing needed COVID-19 support services. This scope followed this work with the analyzation of COVID-19 health equity-related community resources, social services, and policies, and the identification of where gaps exist, including high-level recommendations for COVID-19 prevention change actions. THI developed a COVID-19 health equity summary report and prevention recommendations, combining key health equity data, findings from the environmental/policy scan and community engagement sessions, with recommendations building on identified community needs and resource gaps, including vaccination and testing operation needs, which were then operationalized by the County.

The work by Nueces County Hospital District is eligible work pursuant to FEMA Policy 104-21-0004 (3)(k)

The work by Nueces County Hospital District is eligible under FEMA Policy 104-21- 0004 (3)(k) Vaccination administration consistent with equitable pandemic response and recovery.

The Nueces County Hospital District work provided needed information as to Nueces County COVID-19 health equity vulnerabilities by census tract using the 2018 CDC's "Social Vulnerability Index" which follows the required conditions of *FEMA Coronavirus (COVID-19) Pandemic: Medical Care Eligible for Public Assistance {Interim} (Version 2)* Policy 104-21-0004, Equitable Pandemic Response and Recovery. Nueces County has implemented the recommendations in the SDOH Study and further used the COVID-19 Dashboard to evaluate and refine COVID-19 vaccination outreach to underserved communities.

The work by Nueces County Hospital District provided the necessary information to strategically locate the outreach COVID-19 vaccination sites in these regions to directly counteract these vulnerabilities. These actions directly align with Federal guidance including FEMA's March 15, 2021 disaster specific guidance entitled *Equitable COVID-19 Response and Recovery Job Aid and the National Strategy*.

The data, analysis, and resulting COVID-19 vaccination site setup actions resulting from Nueces County Hospital District's work are directly included as a key component in FEMA's required Equitable Vaccine Administration Report for the Nueces County FEMA-obligated COVID-19 vaccination project #174181 (PW#145), periods 2 through 16. Specifically, Nueces County reported in their *Evaluation and Continuous Improvement Plan* section:

"After the start of the vaccination sites operational periods, Nueces County is actively compiling and analyzing reports from data collected by Luminare to delineate which zip codes, minorities, or marginalized groups were not receiving the vaccine in correlation to other demographics. In response to the data received from Luminare reports and recognizing the demographics identified as not receiving the vaccine at the standard rate, Nueces County facilitated and continues to facilitate meetings between county officials (such as Judge Canales and the emergency management coordinator) and various community leaders, unincorporated city districts and the Independent School Districts to broaden the reach of the vaccination sites. The County has also met with and established facility operational support with the Amistad Clinic to assist with their vaccination responsibilities. Additionally, Nueces County utilizes this data to find best suited locations to encourage and extend community involvement and has updated vaccination outreach for grade school children, vaccinations for homeless and unincorporated area populations. Nueces County has recognized that to promote equitable vaccine distribution increasing a multilayered approach on community engagement has been pivotal. This is inclusive of establishing ongoing partnerships with community

leaders, facilitating engagement on social media platforms, utilizing messaging through alerts and advertisements, and creating websites and call centers for instant information. Within this engagement Nueces County can convey and demonstrate trust and assurance of safety for vaccination. Due to resistance in marginalized groups, Nueces County is working to bridge gaps within those populations. Nueces County Office of Emergency Management has worked with Texas Health Institute and the Nueces County Hospital District to conduct research on advancing Health Equity in Nueces County amid and beyond the COV/D- 19 Pandemic. This report provides a strategic viewpoint by zip code of the areas within Nueces County who have a vulnerable population.

See "Equity Executive Brief-FINAL" for the report and executive brief. Nueces County will utilize the information provided in this report to structure vaccination locations within a centralized area to reach these vulnerable populations. To continue Nueces County's vaccination promotion efforts, Nueces County plans to expand into these high COVID case regions and increase vaccine availability in the underserved zip code regions. Due to the increase in vaccination sites not originally listed in the CCNCPHD COV/D-19 Vaccination Plan, the County is working to update accordingly. Nueces County and CCNCPHD continue with their strategy to evaluate the current vaccinations and boosters provided within Nueces County based on zip code regions which in tandem provides an evaluation of the underserved community."

Compliance with Executive Orders for an Equitable Pandemic Response

Pursuant to FEMA guidance, compliance with Executive Orders is mandatory.

During the Covid 19 Pandemic, an Executive Order was issued. It provided as follows:

Equitable Pandemic Response and Recovery

a. As stated in "Executive Order on Ensuring an Equitable Pandemic Response and Recovery," dated January 21, 2021, COVID-19 has a disproportionate impact on communities of color and other underserved populations, including members of the LGBTQI+ community, persons with disabilities, those with limited English proficiency, and those living at the margins of our economy.

Further under subsection (k), related to equitable pandemic response and recovery:

k. Vaccination administration consistent with equitable pandemic response and recovery.

i. Recipients and Subrecipients of FEMA assistance shall collect data on race, ethnicity and disability status. Recipients must also make best efforts to

collect additional anonymized equity focused person level data, including information on primary language, and sexual orientation or gender identity {SO/GI}. Recipients and Subrecipients must incorporate these data in their development of short-term targets for the equitable deployment of FEMA financial assistance and identify data sources, proxies, or indices, including demographic data disaggregated to reveal socioeconomic, racial, linguistic, age, gender, disability, and other indices that will enable recipients to develop short-term targets for equitable delivery of FEMA-funded assistance and to reach communities of color and other underserved populations.

ii. Recipients and Subrecipients must submit to FEMA information documenting the following for sites selected for vaccination administration every 30 days:

a) For each site, provide a score on the CDC's Social Vulnerability Index or a similar social deprivation, disadvantage, or vulnerability composite index.

b) A description of how the location of the site(s)- relative to other candidate locations- best advances FEMA's focus on supporting the highest-risk communities. This justification may also include a comparison of vaccination rates for demographic groups by geographic area.

c) A site strategy to operationalize equitable access including, but not limited to:

1) A plan for community outreach and engagement, both before and during implementation;

2) A registration process that advances equity with a focus on prioritizing minoritized, marginalized, and otherwise disadvantaged groups;

3) Equitable physical design of the site, including transportation and accessibility considerations; and

4) A plan for ongoing evaluation and continuous improvement to ensure equitable access.”

SUMMARY

Data and information is essential to developing a strategy and plan for the effective distribution and administration of the Covid 19 vaccine.

Nueces County Hospital District undertook this work and used this information and data to develop a strategy and plan to effectively administer the Covid 19 vaccine to underserved rural disadvantaged communities. This plan included the administration of the

vaccine in individual homes and also the establishment of seven temporary medical facilities in strategic locations to serve these communities.

The data and information further assisted in the management of the Covid 19 vaccine program and communications with the communities.

Given the need for and utilization of the work undertaken by Nueces County Hospital District in the direct establishment of equitable COVID-19 vaccinations operations, the work is eligible under the *Coronavirus (COVID-19) Pandemic: Medical Care Eligible for Public Assistance {Interim} {Version 2} FEMA Policy 104-21-0004* Section (3)(k) requirement for vaccination administration consistent with equitable pandemic response and recovery. Per the terms of Section (3)(k)(i), "Recipients and Subrecipients must incorporate these data in their development of short-term targets for the equitable deployment of FEMA financial assistance and identify data sources, proxies, or indices, including demographic data disaggregated to reveal socioeconomic, racial, linguistic, age, gender, disability, and other indices that will enable recipients to develop short-term targets for equitable delivery of FEMA-funded assistance and to reach communities of color and other underserved populations." Further in Section (3)(k)(ii), Subrecipients must develop, a site strategy to operationalize equitable access including, but not limited to:

- 1) A plan for community outreach and engagement, both before and during implementation;
- 2) A registration process that advances equity with a focus on prioritizing minoritized, marginalized, and otherwise disadvantaged groups;
- 3) Equitable physical design of the site, including transportation and accessibility considerations; and
- 4) A plan for ongoing evaluation and continuous improvement to ensure equitable access."

The work undertaken by Nueces County Hospital District directly meets these requirements. Further, the Nueces County Hospital District's work meets terms laid out within FEMA's *Equitable COV/D-19 Response and Recovery: Recipient and Subrecipient Job Aid Section (C)(l)*, where "each recipient or subrecipient requesting PA funding for vaccination efforts and associated activities must substantiate how equity was considered as part of its vaccine administration strategy," and which notes that within the equitable access reporting for vaccine site selection, reports may also include a comparison of vaccination rates for demographic groups by geographic area to identify populations likely to have access barriers in receiving a vaccine.

In addition to the FEMA-specific policy and job aid, the Centers for Disease Control (CDC) has also published guidance to help direct equitable access utilizing the implementation of SDOH including *COVID-19 Vaccine Equity for Racial and Ethnic*

Minority Groups In this publication, the CDC outlines that there are many social, geographic, political, economic, and environmental factors that create challenges to vaccination access and acceptance; however, engaging with disproportionately impacted groups and offering additional resources can mitigate vaccine equity concerns as displayed with the implementation of the SDOH study and subsequent NCOEM establishment of additional vaccination sites.

V. REQUEST FOR ORAL ARGUMENT/HEARING:

The Nueces County Hospital District, Texas respectfully requests that a hearing in connection with this arbitration proceeding be granted in accordance with the arbitration rules set forth in 44 CFR 206.206 at the CBCA in Washington D. C., in New Orleans, in Houston, and by Zoom.

VI. RELIEF REQUESTED:

The Nueces County Hospital District, Texas respectfully requests that this Honorable Panel determine that FEMA should provide FEMA Public Assistance funding for the costs which incurred and paid in the amount of \$503,127.00 in developing and implementing in coordination with the Nueces County Emergency Operation Center the specific plan for the distribution of Covid-19 vaccines to the rural underserved communities through Alternate Care sites.

ALTERNATIVELY, AND ADDITIONALLY, the Nueces County Hospital District, Texas RESPECTFULLY REQUESTS all the relief to which it is entitled in law and equity.

/s/ Michael G. Gaffney

MICHAEL G. GAFFNEY (La Bar #5868)
CHRISTOPHER M. GAFFNEY (La Bar # 34290)
3015 19th Street
Metairie, LA 70002
Phone: 504-299-7169
Fax: 504-335-1915

CHARLES V. CUSIMANO (La Bar # 28858)

3015 19th Street
Metairie, LA 70002
ATTORNEYS FOR NUECES COUNTY
HOSPITAL DISTRICT

Submitted this 16th day of June 2023.

NUECES COUNTY HOSPITAL DISTRICT
GMPN 674808
PW 676-COVID 19 PANDEMIC
EXPENDITURES
REQUEST FOR ARBITRATION
EXHIBIT LIST

1. FEMA First Appeal Determination dated April 18, 2023
2. Timeline for Covid-19 prepared by the CDC (Center for Disease Control)
3. Report provided by Accenture.
4. Report provided by Texas Health Institute.

M:\client doc\Nueces County\NCHD\202306002 Arbitration Demand NCHD.docx



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

NOTICE OF DOCKETING: June 20, 2023

CBCA 7792-FEMA

In the Matter of NUECES COUNTY HOSPITAL DISTRICT

Michael G. Gaffney and Christopher M. Gaffney of Gaffney & Gaffney, Metairie, LA; and Charles V. Cusimano, III of Cusimano Law Firm, PLC, Metairie, LA, counsel for Applicant.

W. Nim Kidd, Chief, and Nancy Cuellar, Recovery Coordinator, Texas Division of Emergency Management, Austin, TX, appearing for Grantee.

Brock Pierson, Office of Chief Counsel, Federal Emergency Management Agency, Department of Homeland Security, Washington, DC; and Charles Schexnaildre, Office of Chief Counsel, Federal Emergency Management Agency, Department of Homeland Security, Baton Rouge, LA, counsel for Federal Emergency Management Agency.

NOTICE OF DOCKETING

The Board has received applicant's request for arbitration in the above-captioned matter (attached¹) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5189a(d). The arbitration has been docketed as **CBCA 7792-FEMA**. This docket number should be referenced in all future correspondence with the Board.

The arbitration panel assigned to this matter consists of **Board Judges Joseph A. Vergilio, H. Chuck Kullberg, and Jonathan D. Zischkau [panel chair]**. Inquiries regarding this matter should be directed to Judge Zischkau's paralegal at **(202) 606-8825** or via email at **zischkau.chambers@cbca.gov**.

¹ Applicant's exhibits to its request for arbitration were too voluminous to attach to this notice. The Board has only attached the request for arbitration without exhibits. Applicant has separately served the exhibits on the other parties.

The panel will contact the parties to schedule a telephonic scheduling conference. Federal Emergency Management Agency (FEMA) shall efile its response to the arbitration request no later than **July 20, 2023**.

This arbitration will proceed pursuant to the Board's rules, which are available on the Board's website at www.cbca.gov. Parties may also request a copy of the rules from the Clerk of the Board. The Board's business hours are 8:00 a.m. to 4:30 p.m. Eastern Time. The Board's business days are days other than Saturdays, Sundays, federal holidays, days on which the Board is required to close before 4:30 p.m., or days on which the Board does not open for any reason, such as inclement weather.

Parties may file documents at the Board using one of the following methods:

1. **Electronic Filing:** The Clerk accepts electronic filings ("efilings"), meaning documents submitted through the Board's email system ("efiled"). Parties may efile documents by sending an email (usually with attachments) to cbca.efile@cbca.gov, except for documents that are classified or submitted in camera or under a protective order. Efiling occurs upon receipt by the Board's email server, except that the attachments must be in .pdf format and 18 megabytes (MB) or smaller or they will be rejected. Efilings received after midnight (12:00:00 a.m.), Eastern Time, are considered filed the next business day.

2. **In-Person, Courier, or Mail (USPS/FedEx/UPS):** In-person, courier, or mail filings should be directed to the Clerk of the Board at 1800 M Street, NW, 6th Floor, Washington, DC 20036. The Clerk's office only accepts in-person, courier, and mail filings during the Board's business hours.

3. **Rule 4 Appeal Files/Exhibits:** The Clerk accepts Rule 4 appeal file submissions by efile (preferred if the filing meets the efile requirements and the Clerk gives permission to efile), by in-person, courier, or mail delivery (on a CD, DVD, or flash drive), or by using the Board's secure file transfer protocol (SFTP). Please refer to the Board's website or contact the Clerk of the Board for details on how to transfer documents to the Board via SFTP file transfer.

4. **Facsimile:** Please contact the Clerk of the Board before attempting to fax any documents to the Board.

Scott W. Sylke

SCOTT W. SYLKE
Clerk of the Board

Distribution List:

Counsel for Applicant:

Michael G. Gaffney, Esq.
Christopher M. Gaffney, Esq.
Gaffney & Gaffney
3015 19th Street
Metairie, LA 70002

Via Email: mike@gaffneyla.com
 chris@gaffneyla.com
Phone: (504) 299-7169
Fax: (504) 335-1915

Charles V. Cusimano, III, Esq.
Cusimano Law Firm, PLC
3015 19th Street
Metairie, LA 70002

Via Email: chuck@cusimanolaw.com
Phone: (504) 525-1213

Appearing for Grantee:

W. Nim Kidd, Chief
Nancy Cuellar, Recovery Coordinator
Texas Division of Emergency Management
1033 La Posada Drive, Suite 300
Austin, TX 78752

Via Email: nim.kidd@tdem.texas.gov
 nancy.cuellar@tdem.texas.gov
Phone: (512) 424-2436

Counsel for Federal Emergency Management Agency:

Brock Pierson, Esq.
Office of Chief Counsel
Federal Emergency Management Agency
U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20024

Via Email: brock.pierson@fema.dhs.gov
Phone: (202) 646-3147

Charles Schexnaildre, Esq.
Office of Chief Counsel
Federal Emergency Management Agency
U.S. Department of Homeland Security
1500 Main Street
Baton Rouge, LA 70802

Via Email: charles.schexnaildre@fema.dhs.gov
Phone: (202) 627-8970



In re Nueces County Hospital District FEMA PW 676

1 message

Michael Gaffney <mike@gaffneyla.com>

Fri, Jun 16, 2023 at 2:05 PM

To: "CBCA efile (cbca.efile@cbca.gov)" <cbca.efile@cbca.gov>

Cc: "Richardson, Derek" <Derek.richardson.2@fema.dhs.gov>, "Robinson, Tony" <tony.robinson@fema.dhs.gov>, traci.brasher@fema.dhs.gov, "Cain, Richard" <richard.cain@fema.dhs.gov>, Nancy Cuellar <Nancy.cuellar@tdem.texas.gov>, Logan Hurley <logan.hurley@cohnreznick.com>, Cory McCabe <Cory.McCabe@cohnreznick.com>, Judy Lucio <Judy.Lucio@tdem.texas.gov>, Juan Alaniz <Juan.Alaniz@tdem.texas.gov>, JOHN.OVALLE@tdem.texas.gov, Joshua Bryant - 2 <Joshua.Bryant@tdem.texas.gov>, tho.do@home.com, "Jonny F. Hipp (NCHD)" <jonny.hipp@nchdcc.org>, "Mary Esther Guerra (NuecesCo)" <maryesther.guerra@nuecesco.com>, "Belinda Espinoza (NCHD)" <Belinda.Espinoza@nchdcc.org>, "John B. Martinez (john@mrtrial.com)" <john@mrtrial.com>, Christopher Gaffney <chris@gaffneyla.com>, "Charles V. Cusimano, III" <chuck@cusimanolaw.com>, Katie Blanchard <katie@cusimanolaw.com>, charles.schexnaildre <charles.schexnaildre@fema.dhs.gov>

Dear Clerk

Please find enclosed for filing with your office a Request for Arbitration which we are respectfully submitting on behalf of Nueces County Hospital District with regard to PW 676 for FEMA Disaster 4485-Covid 19.Pandemic.

By copy of this email we are providing a copy to both FEMA and the Texas Division of Emergency Management.

We appreciate the customary cooperation and assistance of your office.

There are four exhibits which will be provided shortly in the next email, each in a separate pdf .

We shall be pleased to answer any questions that you may have regarding this matter. If you have any questions please do not hesitate to contact us at 504-220-3453 or by Email.

Michael G. Gaffney

Michael G. Gaffney

Gaffney & Gaffney, A Law Corporation

3015 19th Street

Metairie, Louisiana 70002

office 504.299.7169

fax 504.335.1915

email mike@gaffneyla.com

This message is from an attorney and may contain information that is confidential or legally privileged. If you are not the intended recipient, please immediately advise the sender by return email that this message has been inadvertently transmitted to you and delete this email from your system. Thank you for your cooperation.



202306002 Arbitration Demand NCHD.pdf

225K



RE: In re Nueces County Hospital District FEMA PW 676

1 message

Chuck Cusimano <chuck@cusimanolaw.com> Fri, Jun 16, 2023 at 2:27 PM
To: Michael Gaffney <mike@gaffneyla.com>, "CBCA efile (cbca.efile@cbca.gov)" <cbca.efile@cbca.gov>
Cc: "Richardson, Derek" <Derek.richardson.2@fema.dhs.gov>, "Robinson, Tony" <tony.robinson@fema.dhs.gov>, "traci.brasher@fema.dhs.gov" <traci.brasher@fema.dhs.gov>, "Cain, Richard" <richard.cain@fema.dhs.gov>, Nancy Cuellar <Nancy.cuellar@tdem.texas.gov>, Logan Hurley <logan.hurley@cohnreznick.com>, Cory McCabe <Cory.McCabe@cohnreznick.com>, Judy Lucio <Judy.Lucio@tdem.texas.gov>, Juan Alaniz <Juan.Alaniz@tdem.texas.gov>, "JOHN.OVALLE@tdem.texas.gov" <JOHN.OVALLE@tdem.texas.gov>, Joshua Bryant - 2 <Joshua.Bryant@tdem.texas.gov>, "tho.do@home.com" <tho.do@home.com>, "Jonny F. Hipp (NCHD)" <jonny.hipp@nchdcc.org>, "Mary Esther Guerra (NuecesCo)" <maryesther.guerra@nuecesco.com>, "Belinda Espinoza (NCHD)" <Belinda.Espinoza@nchdcc.org>, "John B. Martinez (john@mrtrial.com)" <john@mrtrial.com>, Christopher Gaffney <chris@gaffneyla.com>, "katie cusimanolaw.com" <katie@cusimanolaw.com>, charles schexnaildre <charles.schexnaildre@fema.dhs.gov>

Dear Clerk:

Attached hereto are the four exhibits referenced with the previously filed Request for Arbitration submitted on behalf of Nueces County Hospital District with regard to PW 676 for FEMA Disaster 4485-Covid 19.Pandemic.

By copy of this email we are providing a copy to both FEMA and the Texas Division of Emergency Management.

We appreciate the customary cooperation and assistance of your office.

We shall be pleased to answer any questions that you may have regarding this matter.

CHARLES V. CUSIMANO, III

Cusimano Law Firm, PLC.

3015 19th Street

Metairie, Louisiana 70002

Phone (504) 525-1213

Fax (866) 525-1851

This electronic mail message and/or its attachments contain legally privileged and confidential information intended only for the use of the addressee. If the reader of this message is not the intended recipient, you are hereby notified that any reading, dissemination, disclosure, distribution, or copying of this transmission or its attachments is strictly prohibited. If you received this communication in error, please immediately notify the sender by electronic mail, chuck@cusimanolaw.com, and delete this message, its attachments, and all copies and backups.

From: Michael Gaffney <mike@gaffneyla.com>

Sent: Friday, June 16, 2023 1:05 PM

To: CBCA efile (cbca.efile@cbca.gov) <cbca.efile@cbca.gov>

Cc: Richardson, Derek <Derek.richardson.2@fema.dhs.gov>; Robinson, Tony <tony.robinson@fema.dhs.gov>; traci.brasher@fema.dhs.gov; Cain, Richard <richard.cain@fema.dhs.gov>; Nancy Cuellar <Nancy.cuellar@tdem.texas.gov>; Logan Hurley <logan.hurley@cohnreznick.com>; Cory McCabe <Cory.McCabe@cohnreznick.com>; Judy Lucio <Judy.Lucio@tdem.texas.gov>; Juan Alaniz <Juan.Alaniz@tdem.texas.gov>; JOHN.OVALLE@tdem.texas.gov; Joshua Bryant - 2 <Joshua.Bryant@tdem.texas.gov>; tho.do@home.com; Jonny F. Hipp (NCHD) <jonny.hipp@nchdcc.org>; Mary Esther Guerra (NuecesCo) <maryesther.guerra@nuecesco.com>; Belinda Espinoza (NCHD) <Belinda.Espinoza@nchdcc.org>; John B. Martinez (john@mrtrial.com) <john@mrtrial.com>; Christopher Gaffney <chris@gaffneyla.com>; Chuck Cusimano <chuck@cusimanolaw.com>; katie.cusimanolaw.com <katie@cusimanolaw.com>; charles.schexnaldre@fema.dhs.gov

Subject: In re Nueces County Hospital District FEMA PW 676

Dear Clerk

Please find enclosed for filing with your office a Request for Arbitration which we are respectfully submitting on behalf of Nueces County Hospital District with regard to PW 676 for FEMA Disaster 4485-Covid 19.Pandemic.

By copy of this email we are providing a copy to both FEMA and the Texas Division of Emergency Management.

We appreciate the customary cooperation and assistance of your office.

There are four exhibits which will be provided shortly in the next email, each in a seperate pdf .

We shall be pleased to answer any questions that you may have regarding this matter. If you have any questions please do not hesitate to contact us at 504-220-3453 or by Email.

Michael G. Gaffney

Michael G. Gaffney

Gaffney & Gaffney, A Law Corporation

[3015 19th Street](#)

Metairie, Louisiana 70002

office [504.299.7169](tel:504.299.7169)

fax [504.335.1915](tel:504.335.1915)

email mike@gaffneyla.com

This message is from an attorney and may contain information that is confidential or legally privileged. If you are not the intended recipient, please immediately advise the sender by return email that this message has been inadvertently transmitted to you and delete this email from your system. Thank you for your cooperation.

4 attachments

-  **Exhibit 2 CDC Museum COVID-19 Timeline _ David J. Sencer CDC Museum _ CDC.pdf**
2151K
-  **Exhibit 3 Accenture Reports.pdf**
5792K
-  **Exhibit 4 4485DR-TX_PN674808_THI Report Document Package.pdf**
6050K
-  **Exhibit 1 FEMA FIRST APPEAL - DECISION -APRIL 18-2023.pdf**
1509K

Received

By: CBCA Date:06/16/23

LAW OFFICE OF
GAFFNEY & GAFFNEY
A LAW CORPORATION

MICHAEL G. GAFFNEY
CHRISTOPHER M. GAFFNEY

3015 19th STREET
METAIRIE, LOUISIANA 70002
TELEPHONE: 504-299-7169
FACSIMILE: 504-335-1915

June 16, 2023

VIA ELECTRONIC FILING

ATTN: FEMA Arbitration Administrator
Civilian Board of Contract Appeals
1800 M Street, N.W., Room 6006
Washington, D.C. 20036

Re: **Request for Arbitration**

In Re: FEMA Grants Manager Project Number (GMPN) 674808/Project
Worksheet (PW) 00676 and its First Appeal Decision, and Related
Matters
Subrecipient: Nueces County Hospital District
FIPS: 355-UONZ4-00
Declaration No.: FEMA-4485-DR-TX (Covid 19 Pandemic)

Dear FEMA Arbitration Administrator:

Our office represents the Nueces County Hospital District. Please accept this letter and attached Memorandum as the formal Request for Arbitration on behalf of the Subrecipient, the Nueces County Hospital District, pursuant to the provisions of the Disaster Recovery Reform Act Section 1219, which amended Section 423(d) of the Stafford Act (42 U.S.C. 5189(a)).

Enclosed with this correspondence is the "*Nueces County Hospital District's Request for Arbitration of GMPN 674808, PW 676, its First Appeal Decision, and Related Matters*" along with the arbitration exhibits submitted in support of this Request for Arbitration.

A copy of this request and the exhibits are being simultaneously sent to both FEMA and the Texas Division of Emergency Management.

We respectfully request that the hearing be held both in person before the CBCA in Washington, DC, in New Orleans, in Houston, and by zoom.

Thank you in advance for your consideration of this Request for Arbitration.

If you should have any questions that require any additional information or documentation, please do not hesitate to contact our office.

Very truly yours,
/s/ Michael G. Gaffney
Michael G. Gaffney

cc: Derek Richardson, Texas Infrastructure Branch Director, Texas Recovery Office, Region 6; Derek.Richardson.2@fema.dhs.gov
Tony Robinson, FEMA Regional Administrator, 800 N. Loop 288, Denton, TX 76209
Traci Brasher, Traci.brasher@FEMA.dhs.gov
Richard Cain, Richard.cain@FEMA.dhs.gov
Nancy Cuellar, Recovery Coordinator, Texas Division of Emergency Management; nancy.cuellar@tdem.texas.gov
Logan Hurley, Texas Division of Emergency Management, logan.hurley@cohnreznick.com
Cory McCabe, Texas Division of Emergency Management, cory.mccabe@cohnreznick.com
Judy Lucio, Judy.lucio@tdem.Texas.gov
Juan Alaniz, Juan.Alaniz@tdem.Texas.gov
John O'Valle, John.Ovalle@tdem.Texas.gov
Joshua Bryant, Joshua.Bryant@tdem.Texas.gov
Tho Do, tho.do@home.com
Jonny F. Hipp, Jonny.Hipp@nchdcc.org
[Mary Esther Guerra, Maryesther.guerra@nuecesco.com](mailto:Maryesther.guerra@nuecesco.com)
[Belinda Espinoza, Belinda.Espinoza@nchdcc.org](mailto:Belinda.Espinoza@nchdcc.org)
[John B. Martinez, john@mrtrial.com](mailto:John.B.Martinez@mrtrial.com)

REQUEST FOR ARBITRATION

IN RE: FEMA PROJECT WORKSHEET NUMBER 00676, PN 674808, and its FIRST APPEAL DECISION, AND RELATED MATTERS

SUBRECIPIENT: Nueces County Hospital District, Texas
FACILITY: Coronavirus Disease 2019 (COVID 19 Pandemic)
FIPS: 355-UONZ4-00
FEMA PW NO.: PW 00676, PN 674808, and its First Appeal Decision dated April 18, 2023

NUECES COUNTY HOSPITAL DISTRICT, Texas **REQUEST FOR ARBITRATION** **OF** **GRANTS MANAGER PROJECT NUMBER (GMPN) 674808** **PROJECT WORKSHEET NUMBER 00676,** **its FIRST APPEAL DECISION, and RELATED MATTERS**

MAY IT PLEASE THIS HONORABLE ARBITRATION PANEL:

I. STATEMENT OF SUBJECT MATTER JURISDICTION:

This honorable arbitration panel is granted subject matter jurisdiction over this dispute pursuant to the provisions of the Disaster Recovery Reform Act of 2018 (DRRA) Section 1219 which amended Section 423(d) of the Stafford Act (42 U.S. C. 5189(a)) and the regulations at 44 CFR 206.206(b)(3)(iii)(B)(2). This arbitration is filed in compliance with the CBCA promulgated rules and the regulations at 48 CFR part 6106.

The dispute arises from Covid 19 Pandemic, FEMA-4485-DR-TX, a disaster declared after January 1, 2016. The amount in dispute in this matter exceeds Five Hundred Thousand Dollars (\$500,000.00) or is greater than One Hundred Thousand Dollars (\$100,000.00) for an applicant for assistance in a rural area. A First Appeal pursuant to the requirements of 44 CFR 206.206 was timely submitted. The Regional Administrator has denied a first appeal decision or received a first appeal but has not rendered a decision within 180 calendar days of receipt. The negative First Appeal decision is dated April 18, 2023.

A Request for Arbitration “must contain a written statement that specifies the amount in dispute, all documentation supporting the position of the Applicant, the disaster number, the name and address of the applicant’s authorized representative or counsel. (44 CFR 206.206).” “The Subrecipient/subgrantee may provide supporting documentation not previously included in the project.” (Rule 6106.608) The respondent/FEMA has different jurisdictional requirements to simultaneously submit a response in support of its position, a copy of the project worksheet(s), and any supporting documentation to the arbitration administrator, the Recipient, and the Subrecipient.

In light of the grant of subject matter jurisdiction to this panel, the **Nueces County Hospital District**, Texas (hereinafter sometimes referred to as “Applicant”, “Subrecipient”, “Nueces”, or “NCHD”) files this Request for Arbitration, pursuant to Disaster Recovery Reform Act of 2018 (DRRA) Section 1219 which amended Section 423(d) of the Stafford Act (42 U.S. C. 5189(a)) in lieu of taking a Second Administrative Appeal of Project Worksheet No. 00676, Project Number (“GMPN”) 674808, and the negative First Appeal Decision rendered in this matter dated April 18, 2023.¹

Accordingly, the Nueces County Hospital District requests that this Honorable Panel review the record provided herewith, along with the testimony to be presented at the oral presentation, and determine that the Subrecipient is entitled to reimbursement for the costs incurred for the work performed:

- in compiling and analyzing data and developing a plan and strategy for the effective distribution and administration of the Covid 19 vaccines to disadvantaged communities in rural south Texas,
- addressing public health problems in these disadvantaged communities arising from the Covid 19 pandemic, and
- assuring that the Covid vaccines were equitably distributed:

Texas Health Institute	\$118,127.00
Accenture, LLP	<u>\$385,000.00</u>
Total	\$503,127.00

We respectfully request that the hearing be held in person before the CBCA in Washington, DC, in New Orleans, in Houston, and also by Zoom.

This Request for Arbitration submission is made on the basis that:

Nueces County Hospital District respectfully requests that the panel determine that it is entitled to the relief requested based upon:

- (1) the entire administrative record herein, including the District’s response to the Request for Information, which administrative record was before FEMA when it drafted this Project Worksheet and the First Appeal Decision;
- (2) the additional documentation in the form of the exhibits attached hereto
- (3) the additional exhibits to be provided pursuant to the regulations, rules, and orders of the CBCA; and
- (4) the testimony to be provided at the hearing of this matter.

¹ Please see Exhibit 1.

II. INTRODUCTION:

Brief History-Covid 19

The Coronavirus disease (Covid-19) is an infectious disease caused by the SARS-CoV-2 virus.

Nueces County Hospital District is responsible for providing high quality, affordable, and accessible health care services to the indigent and needy residents of Nueces County.²

Nueces County, Texas has a population of 353,178. It is located in southeast Texas. 18.2% of the population of Nueces County lives in poverty. 63.8% of the population of Nueces County is Hispanic.

Timeline for Covid-19 Pandemic

Below is a timeline from the Center for Disease Control which outlines the fast progression of this dangerous disease which impacted our country and the world.³ Some of the most important dates are as follows:

As the world became aware of the potential danger of human-to-human transmission, the initial response in January 2020 by the US was to restrict travel into the US from China.

- By March 11, 2020, after more than 118,000 cases in 114 countries with 4,291 deaths, the World Health Organization (“WHO”) declared Covid 19 is a pandemic.
- By March 15, 2020, states throughout the US began to implement shutdowns and stay at home orders in order to prevent the spread of Covid 19.

The President issues an Emergency Declaration

- On March 25, 2020, the President declared a major declaration for the State of Texas in response to the Coronavirus Disease 2019 (Covid 19) Pandemic.

The deaths from Covid 19 escalate and the Pandemic rages

- On March 31, 2020, Dr. Fauci announces that he expects between 100,000 and

2 See Nueces County Hospital District Website.

3 Please see exhibit 2.

240,000 deaths in the United States from Covid 19.

- On April 6, 2020, hundreds of doctors and civil rights groups urge the CDC and the US Government to release race and ethnicity data on Covid 19 case numbers in order to reveal the true impact of the virus on communities of color.
- On April 7, 2020, the Chicago Department of Public Health reports a significant racial disparity of Covid infection and death.
- On April 28, 2020, polls show that many young people and low-income people plan to defer medical care because of the cost of treatment and being underinsured.
- By July 7, 2020, the number of confirmed Covid 19 cases in the United States surpassed 3 million (3,000,000).
- By August 4, 2020, it is reported that more than 50% of all people living in rural areas in the United States have no ICU beds available.
- By August 17, 2020, deaths from Covid 19 in the United States exceed 1,000 per day.
- On September 23, 2020, Health and Human Services (“HHS”) and the Center for Disease Control (“CDC”) awarded states, and local jurisdictions Two Hundred million Dollars (\$200,000,000.00) to support vaccine distribution for Covid-19.
- **On October 27, 2020, Nueces County executed an agreement with THI (Texas Health Institute) to provide data and expertise to assist in determining Nueces County’s social determinants of health and Covid 19 impacts to guide an equitable recovery for all county residents.**
- On November 9, 2020, the Food and Drug Administration (“FDA”) issued an Emergency Use Authorization (“EUA”) for Eli Lilly’s monoclonal antibody treatment.
- On November 16, 2020, Moderna’s Covid 19 vaccine is found to be 95.4% effective.
- On November 18, 2020, Pfizer-BioTech’s Covid 19 vaccine is found to be 95% effective.

The first Covid 19 vaccines are FDA authorized

- December 11, 2020, the FDA issues an EUA for Pfizer's vaccine.
- December 18, 2020, the FDA issues an EUA for Moderna's vaccine.
- December 22, 2020, CDC releases its recommendations for the allocation of vaccines which are limited in supply.
- **Beginning in January 2021, Accenture provides its data to Nueces County Hospital District.**
- **Save Our Seniors (SOS) program begins vaccinations in Nueces County.**
- January 18, 2021, the death toll from Covid-19 in the United States surpasses four hundred thousand (400,000).
- February 16, 2021, vaccine distribution is disrupted in several states including Texas due to severe storms.
- February 21, 2021, the reported death toll from Covid 19 in the United States surpasses Five Hundred Thousand (500,000).
- February 27, 2021, FDA approves an EUA for Johnson and Johnson's vaccine.
- March 11, 2021, Biden Administration announces its plan for all Americans to be vaccinated.
- March 17, 2021, CDC announces spending to address Covid 19 disparities for people living in rural areas and racial and ethnic minority groups.
- March 25, 2021, CDC announces funding to address disparities in access to Covid 19 immunization etc,
- April 3, 2021, CDC announces additional funding for expanded the Covid 19 vaccination programs.
- **April 2021, the Texas Health Institute releases its completed final report to Nueces County Hospital District.**

- **April 2021 35 Texas Counties participating in and 50,000 Texans vaccinated through the SOS (Save our Seniors) initiative.** ⁴

Distribution and Administration of Covid 19 Vaccines

The initial problem for the US Vaccination Program was the allocation of the limited supply of available vaccines. The CDC provided guidance on its recommended criteria for distribution. This guidance was helpful in making life or death triage decisions during this initial period of time wherein the vaccine supply was very limited.

As the supply of vaccines became more and more available, the effort was made to immunize the entire US population for the benefit of the health and safety of all of the citizens of the U.S. The free administration at mass vaccination centers was the forefront of this massive widespread effort to vaccinate the entire population.

Public Health problem with minority and disadvantaged rural communities

The problem became how to vaccinate those populations which did not come to the mass vaccination centers. Studies showed that there was a problem with the distribution and administration of the vaccination in rural communities, especially the minority and disadvantaged rural communities.

The Nueces County Office of Emergency Management (NCOEM) Director recognized this problem and, in an effort to solve this public health and safety issue reached out to the Nueces County Hospital District to assist her in developing a strategy and plan to distribute and administer vaccinations to the underserved rural minority and disadvantaged citizens who would not come to the mass vaccine centers to receive a Covid-19 vaccination.

This arbitration concerns the response to Covid 19

by

Nueces County Hospital District

1. Need to develop a strategy or plan to respond to Covid 19

In response to the request by Nueces County's Emergency Management Director to assist the County in the vaccination of the underserved minority and disadvantaged citizens of rural

⁴ See Rauhaus, Beth M., Deborah A. Sibila, and Mary Mahan. 2022. "Collaboration in Crisis: Utilizing the SOS Program, an At-Home COVID-19 Vaccine Administration Initiative, to Demonstrate Best Practices in Emergency Management Collaboration." Public Administration Review 1–5. <https://doi.org/10.1111/puar.13573>

Nueces County, the Nueces County Hospital District agreed to develop a strategy or plan to vaccinate the underserved minority and disadvantaged rural population which is the specific population which it serves. This work was a direct effort by the Hospital District for the purpose of eliminating or lessening the immediate threat of Covid 19 to the lives, public health, and safety of its community.

2. Information and Data drive decisions

To vaccinate this rural population, the Nueces County Hospital District developed a plan of action to slow the spread of Covid-19 and to distribute vaccines to the underserved population of the county.

To develop a well thought out functioning strategic plan, data on the rural communities had to be obtained. The data necessary to slow the spread of Covid-19 and distribute and administer vaccines in this rural disadvantaged population included information on the novel questions which the hospital district needed answers to. These questions were:

Who were the people that did not visit the mass vaccination centers?

Where are these people located?

How could these communities best be reached?

How could these communities be convinced to get vaccinated?

Nueces hired Accenture to gather the data and information essential to develop a strategy and plan to effectively distribute and administer the Covid 19 vaccine to these rural disadvantaged communities. As one county leader properly stated: “**data drives the best decisions.**”⁵ This data was compiled with the specific objective of delivering Covid 19 vaccines to the citizens of these rural communities who refused or otherwise did not come to mass vaccination centers to receive one of the three free Covid 19 vaccines.

3. The work undertaken by NCHD is reimbursable under FEMA Guidance and Executive Orders

In addition to this specific objective of NCHD and the NCOEM, this plan and strategy served the general requirement of the U.S. government that the vaccines be delivered to communities of color and other underserved populations . . . and those with limited English proficiency.⁶ Hence, the data collected helped to originate the Save Our Seniors (SOS) program which was created by Nueces County officials to vaccinate the community's most vulnerable citizens amidst the COVID-19 pandemic by identifying individuals needing the vaccine but unable

⁵ See Rauhaus, Beth M., Deborah A. Sibila, and Mary Mahan. 2022. “Collaboration in Crisis: Utilizing the SOS Program, an At-Home COVID-19 Vaccine Administration Initiative, to Demonstrate Best Practices in Emergency Management Collaboration.” Public Administration Review 1–5. <https://doi.org/10.1111/puar.13573>

⁶ See Executive Order Ensuring the Equitable Pandemic Response & Recovery, dated January 21, 2021.

to leave home. The program was soon adopted statewide and beyond.⁷

4. The Strategy and Plan worked

The Texas Health Institute report was finalized in April 2021. This report further advanced the specific objective of NCHD and the NCOEM of establishing a plan and strategy to deliver vaccines to the rural underserved communities by analyzing the data compiled by Accenture and formalizing a report.

NCHD reviewed these two reports and in conjunction with the NCOEM developed the successful plan for the delivery of the Covid 19 vaccines to the rural underserved minority communities which otherwise would not have received the Covid 19 vaccines.

This plan was successfully used to deliver Covid 19 vaccines to these rural underserved disadvantaged communities until the end of the Pandemic.

III. ARBITRATION ISSUES:

The issues concern the reimbursement of costs associated with the distribution and administration of COVID-19 vaccine and the healthcare of those suffering from Covid-19

1. Did the work undertaken by Nueces County Hospital District specifically and directly advance the delivery and administration of the Covid 19 vaccines to rural underserved communities so as to reduce dangers of Covid 19 thereby eliminating or lessening the immediate threat to lives, public health, and safety of its community?
2. Did this work undertaken by Nueces County Hospital District reduce dangers of Covid 19 by providing protocols and strategies to vaccinate at home the rural disadvantaged communities, thereby eliminating or lessening the immediate threat to lives, public health, and safety of its community?
3. Did this work of Nueces County Hospital District reduce dangers of Covid 19 by providing proper management of the Covid 19 Health Program so as to provide public health services to the rural disadvantaged communities, thereby eliminating or lessening the immediate threat to lives, public health, and safety of its community?
4. Did the work undertaken by Nueces County Hospital District specifically and directly advance the delivery and administration of the Covid 19 vaccines by providing the necessary data for the effective establishment of seven (7) temporary medical facilities

⁷ See Rauhaus, Beth M., Deborah A. Sibila, and Mary Mahan. 2022. "Collaboration in Crisis: Utilizing the SOS Program, an At-Home COVID-19 Vaccine Administration Initiative, to Demonstrate Best Practices in Emergency Management Collaboration." Public Administration Review 1–5. <https://doi.org/10.1111/puar.13573>

which served as Community Vaccination Sites and may be referred to by FEMA as “Temporary and Expanded Medical Facilities” which eliminated or lessened the immediate threat to lives, public health, and safety of its community?

5. Did the work undertaken by Nueces County Hospital District comply with FEMA Policy 104-21-0004 and as such eliminated or lessened the immediate threat to lives, public health, and safety of its community?
6. Did the work undertaken by Nueces County Hospital District comply with FEMA’s Guidance that the distribution and administration of the response to Covid 19 was equitable?

IV. LAW AND DISCUSSION OF THE ARBITRATION ISSUES:

STATEMENT of ERRORS

The determinations that are the subject of this Request for Arbitration are the FEMA First Appeal determinations set forth below which denied reimbursement to the Nueces County Hospital District’s for the costs associated with its response to solving serious emergency problems with: (1) the distribution and administration of the Covid-19 vaccination to certain disadvantaged communities in rural south Texas and (2) addressing the public health crisis arising in those disadvantaged communities suffering from Covid-19.

Nueces County Hospital District respectfully submits that **the following FEMA Determinations are in error:**

1. The services rendered were not specifically related to eligible emergency work to eliminate or lessen an immediate threat to lives, public health, and safety.
2. The described costs and work are ineligible and are not considered eligible emergency protective measures under statutory and regulatory policy.
3. The underlying work conducted is not directly related to accomplishing specific short-term emergency health and safety tasks necessary to perform emergency protective measures, but instead administrative work normally performed by the Applicant inherent to its responsibility to the indigent and vulnerable constituents of Nueces County and not an immediate threat to lives, public health, and safety.

NUECES COUNTY HOSPITAL DISTRICT’S REQUEST

The Nueces County Hospital District’s work with Texas Health Institute and Accenture was specific to and did reduce the dangers of Covid 19 thereby

**eliminating or lessening the immediate threat to the lives, health, and safety of
the citizens of Nueces County its surrounding communities, and the entire
United States.**

The Nueces County Hospital District's work with Texas Health Institute and Accenture is a FEMA Public Assistance reimbursable expense due to the fact that it was specific to and did directly reduce the dangers of Covid 19 thereby eliminating or lessening the immediate threat to the lives, health, and safety by:

- Compiling and analyzing information and data from hard hit areas necessary to make informed decisions as to the effective administration of the Covid 19 Vaccine.
- Developing a strategy and plan to deliver and administer the Covid 19 Vaccine to individual homes to rural underserved disadvantaged communities in Nueces County.
- Properly managing the administration of the Covid 19 vaccine program.
- Developing a strategy and plan to establish temporary medical facilities to administer vaccines to rural underserved disadvantaged communities in Nueces County.
- Assuring the equitable distribution and vaccination of underserved communities.

Compiling and analyzing information and data from hard hit areas

In 2020 and early 2021, as the public health dangers of the Covid 19 Pandemic became increasing apparent and the death toll of more than 1,000 deaths a day in the United States spiraled out of control, Nueces County Hospital District at the request of the Nueces County Judge acting in the capacity as Emergency Management Director for Nueces County sought solutions to enable the county to respond to the Covid 19 Pandemic.

Like most of the world, information and data to develop a coherent strategic plan to respond to Covid 19 Pandemic was difficult to find and assess.

The importance of data and information was confirmed by the President of the United States!

President Biden's Executive Order stated:

The **lack of complete data**, disaggregated by race and ethnicity, on COVID-19 infection, hospitalization, and mortality rates, as well as underlying health and social vulnerabilities, has further hampered efforts to ensure an equitable pandemic response. Other communities, often obscured in the data, are also disproportionately affected by COVID-19, including sexual and gender minority groups, those living with disabilities, and those living at the margins of our

economy. Observed inequities in rural and Tribal communities, territories, and other geographically isolated communities require a place-based approach to data collection and the response...

It is impossible to change the course of the pandemic without tackling it in the hardest-hit communities. In order to identify and eliminate health and social inequities resulting in disproportionately higher rates of exposure, illness, and death, I am directing a Government wide effort to address health equity...

....

(b) Mission and Work.

....

(i) Consistent with applicable law and as soon as practicable, the Task Force shall provide specific recommendations to the President, through the Coordinator of the COVID-19 Response and Counselor to the President (COVID-19 Response Coordinator), for **mitigating the health inequities caused or exacerbated by the COVID-19 pandemic and for preventing such inequities in the future.**⁵ (Emphasis added)

Nueces County Hospital District was aware of the dangers and the challenges the Covid 19 Pandemic presented to the rural southeast Texas community which it served. This rural community is overwhelmingly Hispanic (63.8%) and contains a significant disadvantaged underserved population which lacked English proficiency population.

As succinctly stated by one county leader **“data drives the best decisions.”**⁸

To address these public health problems, the Nueces County Hospital District sought information and data necessary to develop a plan and strategy to solve these very serious public health concerns. The work and costs which are the subject of this Request for Arbitration were directly in response to the Covid 19 Pandemic crisis. All work was directly and exclusively a specific effort to reduce or eliminate the ongoing immediate threat from Covid 19 to the lives, health, and safety of the citizens of Nueces County its surrounding communities, and the entire population of the United States.

Strategic plan to administer the Covid 19 vaccine to individual homes

The outreach efforts into this community would present a serious public health challenge to efforts to dispense the recently developed vaccines necessary to combat the spread of the Covid 19 Pandemic.

8 See Rauhaus, Beth M., Deborah A. Sibila, and Mary Mahan. 2022. “Collaboration in Crisis: Utilizing the SOS Program, an At-Home COVID-19 Vaccine Administration Initiative, to Demonstrate Best Practices in Emergency Management Collaboration.” Public Administration Review 1–5. <https://doi.org/10.1111/puar.13573>

The “Save our Seniors” plan used the work of Nueces County Hospital District to directly deliver and administer the Covid 19 vaccine in the homes of many individuals in the rural underserved disadvantaged communities and to manage the Save our Seniors program.

In addition, as a result of the work by Nueces County Hospital District, a “Save our Seniors” (SOS) program was created to vaccinate the community’s most vulnerable citizens amongst the Covid 19 pandemic. This program enabled the identification of individuals who were not able to leave their home so that they could be vaccinated in their home.

The local fire department applied to become a vaccine administrator in January 2021 to vaccinate all public safety officials in the local region. Next, EMS personnel in the local fire department began vaccinating elderly at senior centers and at-home, using the Meals on Wheels route. Finally in February 2021, the municipal government opened phone lines for all senior citizens to register for the at-home vaccine program. By Spring, the at-home vaccine program was adopted state-wide. In this program, EMS personnel were tasked with administering the two-dose COVID-19 vaccine to homebound community members. Program recipients included elderly, disabled, homebound, and those without access or inability to use transportation in the municipal area.⁹

Under *Coronavirus (COVID-19) Pandemic: Medical Care Eligible for Public Assistance (Interim) (Version 2) FEMA Policy 104-21-004, 3. Vaccinations:*

Work and associated costs to support the distribution and administration of COVID-19 vaccines may be eligible for PA. The federal government will provide the vaccine itself at no cost. There may be additional costs incurred to support the distribution and administration of the vaccine. Such costs may be eligible for PA funding when they are necessary to effectively distribute and administer COVID-19 vaccines consistent with established vaccine protocols, CDC and/or other applicable public health guidance, and PA program requirements. Eligible work and costs under PA include:

- i. Information Technology (IT) equipment **and systems**, when reasonable and necessary, for patient registration and tracking, vaccine-related inventory management, and/or analytics and reporting needs.

- k. Vaccination administration consistent with equitable pandemic response and recovery.

The CDC Guidance “*Pre-vaccination planning for vaccination of homebound persons*” made clear that providers vaccinating homebound persons should carefully pre-plan to understand how they can most efficiently prevent vaccine wastage and ensure safe and effective vaccination... by, among other things (1) “Estimating the number of doses needed as accurately as possible.

⁹ Rauhaus BM. Public Service Motivation of Street- Level Bureaucrats Amidst the COVID-19 Pandemic: An Analysis of Experiences in Implementation of an at-Home Vaccination Program. *State and Local Government Review*. 2022 Mar;54(1):82–91. doi: 10.1177/0160323X221079242. PMID: PMC8847698

By analyzing data on social determinants of health through an analytics platform, emergency management officials can identify areas or populations that are at a higher risk during emergencies. This information enables targeted resource allocation, ensuring that critical resources such as medical supplies, personnel, and support services are directed to the areas and populations that need them the most, thus reducing the threat to lives and public health.

An analytics platform aids in the identification of areas with higher rates of chronic diseases, limited access to healthcare, or environmental hazards. With this information, proactive interventions and preventive measures were implemented, such as public health campaigns, outreach programs, or targeted healthcare services, to lessen the threat to lives, public health, and safety. It is the method by which Nueces County addressed health disparities and risk factors. By using this data-driven approach, emergency management officials were able to make more effective decisions, reduce response times, and allocate resources efficiently, thereby lessening the immediate threat to lives, public health, and safety.

Management of Covid 19 Program is an eligible expense

This FEMA guidance supports the eligibility of the work and costs incurred by Nueces County Hospital District as all the work by Accenture and by Texas Health Institute was provided by Nueces to the local Emergency Management Director who worked together in the management and control of the spread of the Covid 19 Pandemic to save lives.

Finally, this work by Nueces County Hospital District was used to plan and target the communication of health and safety information to the rural disadvantaged communities in Nueces County so as to combat the spread of Covid by addressing the concerns of the disadvantaged communities.

Law and Disaster Specific Guidance- Delivery and Administration of Vaccines

44 CFR §206.223(a)(1) is the governing regulation for Emergency Protective Measures. This regulation provides that the Work must be necessary as a direct result of the emergency or major disaster.

FEMA has provided specific guidance under the Public Assistance Program to address some of the unique issues presented by the Covid 19 Pandemic.¹⁰

¹⁰ Fact Sheet Coronavirus (Covid 19) Pandemic: Eligible Emergency Protective Measures. March 19, 2020.; FEMA Fact Sheet Coronavirus (Covid 19) Pandemic: Emergency Medical Care. 3/30/20; Coronavirus (Covid 19) Pandemic: Medical Care Costs Eligible for Public Assistance, FEMA Policy FP 104-010-04; FEMA Fact Sheet May 12, 2020. Coronavirus (Covid 19) Pandemic: Alternate Care Site (ACS) “Warm Sites” added)

Fact Sheet: *Coronavirus (Covid 19) Pandemic: Eligible Emergency Protective Measures*. March 19, 2020, provides the following disaster specific guidance:

Under the COVID-19 Emergency Declaration, FEMA may provide assistance for emergency protective measures **including, but not limited to**, (Emphasis added) the following:

....

Management, control, and reduction of immediate threats to public health and safety:

....

Technical assistance to state, tribal, territorial or local governments **on** emergency management and **control of immediate threats to public health and safety**

....

Emergency medical care:

....

Temporary medical facilities and/or enhanced medical/hospital capacity (for treatment when existing facilities are reasonably forecasted to become overloaded in the near term and cannot accommodate the patient load or to quarantine potentially infected persons)

....

Communications of general health and safety information to the public (Emphasis added)

Temporary Medical Facilities

The work by Nueces County Hospital District not only created the plan and strategy to deliver and administer the Covid 19 vaccines, the work undertaken provided the necessary information and data for the establishment of temporary medical facilities necessary to serve the rural disadvantaged communities.

Nueces County used this work to determine the best locations to establish the temporary medical facilities. This also satisfies FEMA’s guidance for eligibility for Nueces work.

This work by Nueces County Hospital District was critical in determining the location of the seven (7) temporary medical facilities used as Community Vaccination Sites in the rural disadvantaged communities so as to accommodate and/or quarantine potentially infected persons.

The following table lists the community vaccination sites opened as a direct result of this study in the locations identified as a result of the work by Nueces County Hospital District.

Site Name	Site Address	Site GPS Coordinates	CDCSVI (2018)
-----------	--------------	----------------------	---------------

Antonio Garcia Arts & Entertainment Center	2021 Agnes St, Corpus Christi, TX, 78405	27.786635, -97.411754	0.9198
Greenwood Senior Center	4040 Greenwood Dr., Corpus Christi, TX, 78416	27.759293, -97.4306	0.9134
Molina Veterans Park	1150 Bloomington St., Corpus Christi, TX, 78416	27.758416, -97.441712	0.8956
Nueces County Courthouse	901 Leopard St., Corpus Christi, TX, 78401	27.794896, -97.400551	0.805
RTA Staples Transfer Station	602 N. Staples St., Corpus Christi, TX, 78401	27.795822, -97.402427	0.805
Salinas Park	1354 Airport Rd., Corpus Christi, TX, 78405	27.795822, -97.402427	0.9539
Physician's West	2601 Hospital Blvd, Corpus Christi, TX, 78405	27.778748, -97.417961	0.9198

These two strategies and programs are the direct impact that the work by Nueces County Hospital District had in eliminating or lessening the immediate threat of Covid 19 to lives, public health, and safety of its community.

Law and Disaster Specific Guidance- Temporary Medical Facilities

FEMA’s Guidance at Coronavirus (Covid 19) Pandemic: Medical Care Costs Eligible for Public Assistance, FEMA Policy FP 104-010-04 provides, in relevant part, as follows:

Temporary and Expanded Medical Facilities.

FEMA may approve work and costs associated with temporary medical facilities or expanded medical facilities when necessary in response to the COVID- 19 Public Health Emergency. These facilities may be used to treat COVID-19 patients, non-COVID-19 patients, or both, as necessary.

Medical care activities and associated costs related to treating both COVID-19 and non-COVID-19 patients in a temporary or expanded medical facility may be eligible.

....

- b. Eligible costs for temporary and expanded medical facilities include:
 - i. All eligible items and stipulations included in Section C.1 Primary Medical Care Facility, but applicable to both COVID-19 and non-COVID-19 patients;
 - ii. Lease, purchase, or construction costs, as reasonable and necessary, of a temporary facility as well as reasonable alterations to a facility necessary to provide medical care services;
 - iii. Mobilization and demobilization costs associated with setting up and closing the temporary or expanded medical facility;
 - iv. Operating costs including equipment, supplies, staffing, wraparound services

(as defined in the Definitions section at the end of this document), and clinical care not covered by another funding source; and
v. Maintenance of a temporary or expanded medical facility in an operationally ready but unused status available for surge capacity for COVID-19 readiness and response when necessary to eliminate or lessen an immediate threat to public health and safety, based on public health guidance, location of areas expected to be impacted, and local/state hospital bed/ICU capacity.

....

Ongoing and projected needs regarding continuing operations at a temporary or expanded medical facility should be based on regular assessments and the Applicant must document the review process to support its decision making.

....

The assessments and supporting information are necessary to determine eligibility of claimed costs and should align with PA reasonable cost guidance provided in the PAPPG and the Public Assistance Reasonable Cost Evaluation Job Aid.

....

e. For temporary and expanded medical facilities, and the specific type of temporary medical facilities known as Alternate Care Sites, administrative activities and associated costs necessary for the provision of essential medical services are eligible.

The work by Nueces County Hospital District is eligible work pursuant to FEMA Policy 104-21-0004

FEMA establishes that as a condition of receiving financial assistance, "Recipients and Subrecipients must focus the use of FEMA funding on the highest-risk communities and underserved populations as determined by established measures of social and economic disadvantage (e.g., the CDC Social Vulnerability Index)." As further outlined within FEMA's *Equitable COVID-19 Response and Recovery: Recipient and Subrecipient Job Aid*, the Equitable Vaccine Administration Requirements include the identification of target populations and the highest-risk communities, the evaluation of whether these communities are being reached, and refinement of strategies to ensure delivery is equitable from the collection of demographic data. NCHD's responsibility and costs submitted with this Request for Arbitration align directly with FEMA's requirements.

In addition to the statutory authorities that authorize the performance of these eligible emergency protective measures, NCHD performed these actions as a direct request by the Nueces County Office of Emergency Management (NCOEM) to assist in the County's COVID-19 emergency protective measures. As outlined by the *Public Assistance Program and Policy Guide (PAPPG)*, Version 3.1{2018}, to be eligible under the FEMA PA program, work must be required as a direct result of the declared incident. Following the announcement of federally provided COVID-19 vaccination allocations

and in line with government orders directing a government-wide effort "to prevent and remedy differences in COVID-19 care and outcomes within communities of color and other underserved populations" NCOEM sought to compile, analyze, and evaluate the County's COVID-19 vulnerabilities on a jurisdictional level to ensure an equitable disbursement of these vaccine allocations.

NCOEM worked with the CCNCPHD on COVID-19 vaccination efforts to (a) identify critical populations groups and develop strategies for ensuring these populations were appropriately included in the priority schedule for vaccination, and (b) determine need for additional vaccination services such as satellite or off-site clinics to meet needs not met by currently enrolled COVID-19 providers. Due to being fully involved in other active COVID-19 emergency response measures and the limited availability of the County's direct resources, NCOEM requested that NCHD undertake the contracting and funding of this work with the County's advisement to engage with the recommended vendors, Accenture LLP, and the Texas Health Institute (THI). Further exemplified within the NCHD Board of Manager's meetings so the costs associated with the performance of this work were unbudgeted and categorized as a direct request for COVID-19 assistance from NCOEM.

NCHD then contracted with Accenture and THI for this COVID-19 work. Per Accenture's associated Statement of Work (SOW) under contract DIR-TS0-4062, from October 23, 2020 to April 13, 2021, Accenture operationalized data analysis tools specifically to identify, operationalize, and monitor key measures for COVID-19 community health equity and resilience. Data reported specified the Nueces County demographic characteristics, leading causes of death, key population health attributes, healthcare spending, access to healthcare, healthcare systems, social and economic environments, public health and prevention, and physical environments. Accenture's additional Statement of Work (SOW) under contract DIR-TS0-4005 from March 8, 2021, to April 30, 2021, included scope to assist the jurisdiction in identifying, procuring, and implementing needed COVID-19 support services. This scope followed this work with the analyzation of COVID-19 health equity-related community resources, social services, and policies, and the identification of where gaps exist, including high-level recommendations for COVID-19 prevention change actions. THI developed a COVID-19 health equity summary report and prevention recommendations, combining key health equity data, findings from the environmental/policy scan and community engagement sessions, with recommendations building on identified community needs and resource gaps, including vaccination and testing operation needs, which were then operationalized by the County.

The work by Nueces County Hospital District is eligible work pursuant to FEMA Policy 104-21-0004 (3)(k)

The work by Nueces County Hospital District is eligible under FEMA Policy 104-21- 0004 (3)(k) Vaccination administration consistent with equitable pandemic response and recovery.

The Nueces County Hospital District work provided needed information as to Nueces County COVID-19 health equity vulnerabilities by census tract using the 2018 CDC's "Social Vulnerability Index" which follows the required conditions of *FEMA Coronavirus (COVID-19) Pandemic: Medical Care Eligible for Public Assistance (Interim) (Version 2)* Policy 104-21-0004, Equitable Pandemic Response and Recovery. Nueces County has implemented the recommendations in the SDOH Study and further used the COVID-19 Dashboard to evaluate and refine COVID-19 vaccination outreach to underserved communities.

The work by Nueces County Hospital District provided the necessary information to strategically locate the outreach COVID-19 vaccination sites in these regions to directly counteract these vulnerabilities. These actions directly align with Federal guidance including FEMA's March 15, 2021 disaster specific guidance entitled *Equitable COVID-19 Response and Recovery Job Aid and the National Strategy*.

The data, analysis, and resulting COVID-19 vaccination site setup actions resulting from Nueces County Hospital District's work are directly included as a key component in FEMA's required Equitable Vaccine Administration Report for the Nueces County FEMA-obligated COVID-19 vaccination project #174181 (PW#145), periods 2 through 16. Specifically, Nueces County reported in their *Evaluation and Continuous Improvement Plan* section:

"After the start of the vaccination sites operational periods, Nueces County is actively compiling and analyzing reports from data collected by Luminare to delineate which zip codes, minorities, or marginalized groups were not receiving the vaccine in correlation to other demographics. In response to the data received from Luminare reports and recognizing the demographics identified as not receiving the vaccine at the standard rate, Nueces County facilitated and continues to facilitate meetings between county officials (such as Judge Canales and the emergency management coordinator) and various community leaders, unincorporated city districts and the Independent School Districts to broaden the reach of the vaccination sites. The County has also met with and established facility operational support with the Amistad Clinic to assist with their vaccination responsibilities. Additionally, Nueces County utilizes this data to find best suited locations to encourage and extend community involvement and has updated vaccination outreach for grade school children, vaccinations for homeless and unincorporated area populations. Nueces County has recognized that to promote equitable vaccine distribution increasing a multilayered approach on community engagement has been pivotal. This is inclusive of establishing ongoing partnerships with community

leaders, facilitating engagement on social media platforms, utilizing messaging through alerts and advertisements, and creating websites and call centers for instant information. Within this engagement Nueces County can convey and demonstrate trust and assurance of safety for vaccination. Due to resistance in marginalized groups, Nueces County is working to bridge gaps within those populations. Nueces County Office of Emergency Management has worked with Texas Health Institute and the Nueces County Hospital District to conduct research on advancing Health Equity in Nueces County amid and beyond the COV/D- 19 Pandemic. This report provides a strategic viewpoint by zip code of the areas within Nueces County who have a vulnerable population.

See "Equity Executive Brief-FINAL" for the report and executive brief. Nueces County will utilize the information provided in this report to structure vaccination locations within a centralized area to reach these vulnerable populations. To continue Nueces County's vaccination promotion efforts, Nueces County plans to expand into these high COVID case regions and increase vaccine availability in the underserved zip code regions. Due to the increase in vaccination sites not originally listed in the CCNCPHD COV/D-19 Vaccination Plan, the County is working to update accordingly. Nueces County and CCNCPHD continue with their strategy to evaluate the current vaccinations and boosters provided within Nueces County based on zip code regions which in tandem provides an evaluation of the underserved community."

Compliance with Executive Orders for an Equitable Pandemic Response

Pursuant to FEMA guidance, compliance with Executive Orders is mandatory.

During the Covid 19 Pandemic, an Executive Order was issued. It provided as follows:

Equitable Pandemic Response and Recovery

a. As stated in "Executive Order on Ensuring an Equitable Pandemic Response and Recovery," dated January 21, 2021, COVID-19 has a disproportionate impact on communities of color and other underserved populations, including members of the LGBTQI+ community, persons with disabilities, those with limited English proficiency, and those living at the margins of our economy.

Further under subsection (k), related to equitable pandemic response and recovery:

k. Vaccination administration consistent with equitable pandemic response and recovery.

i. Recipients and Subrecipients of FEMA assistance shall collect data on race, ethnicity and disability status. Recipients must also make best efforts to

collect additional anonymized equity focused person level data, including information on primary language, and sexual orientation or gender identity {SO/GI}. Recipients and Subrecipients must incorporate these data in their development of short-term targets for the equitable deployment of FEMA financial assistance and identify data sources, proxies, or indices, including demographic data disaggregated to reveal socioeconomic, racial, linguistic, age, gender, disability, and other indices that will enable recipients to develop short-term targets for equitable delivery of FEMA-funded assistance and to reach communities of color and other underserved populations.

ii. Recipients and Subrecipients must submit to FEMA information documenting the following for sites selected for vaccination administration every 30 days:

a) For each site, provide a score on the CDC's Social Vulnerability Index or a similar social deprivation, disadvantage, or vulnerability composite index.

b) A description of how the location of the site(s)- relative to other candidate locations- best advances FEMA's focus on supporting the highest-risk communities. This justification may also include a comparison of vaccination rates for demographic groups by geographic area.

c) A site strategy to operationalize equitable access including, but not limited to:

1) A plan for community outreach and engagement, both before and during implementation;

2) A registration process that advances equity with a focus on prioritizing minoritized, marginalized, and otherwise disadvantaged groups;

3) Equitable physical design of the site, including transportation and accessibility considerations; and

4) A plan for ongoing evaluation and continuous improvement to ensure equitable access.”

SUMMARY

Data and information is essential to developing a strategy and plan for the effective distribution and administration of the Covid 19 vaccine.

Nueces County Hospital District undertook this work and used this information and data to develop a strategy and plan to effectively administer the Covid 19 vaccine to underserved rural disadvantaged communities. This plan included the administration of the

vaccine in individual homes and also the establishment of seven temporary medical facilities in strategic locations to serve these communities.

The data and information further assisted in the management of the Covid 19 vaccine program and communications with the communities.

Given the need for and utilization of the work undertaken by Nueces County Hospital District in the direct establishment of equitable COVID-19 vaccinations operations, the work is eligible under the *Coronavirus (COVID-19) Pandemic: Medical Care Eligible for Public Assistance {Interim} {Version 2} FEMA Policy 104-21-0004* Section (3)(k) requirement for vaccination administration consistent with equitable pandemic response and recovery. Per the terms of Section (3)(k)(i), "Recipients and Subrecipients must incorporate these data in their development of short-term targets for the equitable deployment of FEMA financial assistance and identify data sources, proxies, or indices, including demographic data disaggregated to reveal socioeconomic, racial, linguistic, age, gender, disability, and other indices that will enable recipients to develop short-term targets for equitable delivery of FEMA-funded assistance and to reach communities of color and other underserved populations." Further in Section (3)(k)(ii), Subrecipients must develop, a site strategy to operationalize equitable access including, but not limited to:

- 1) A plan for community outreach and engagement, both before and during implementation;
- 2) A registration process that advances equity with a focus on prioritizing minoritized, marginalized, and otherwise disadvantaged groups;
- 3) Equitable physical design of the site, including transportation and accessibility considerations; and
- 4) A plan for ongoing evaluation and continuous improvement to ensure equitable access."

The work undertaken by Nueces County Hospital District directly meets these requirements. Further, the Nueces County Hospital District's work meets terms laid out within FEMA's *Equitable COV/D-19 Response and Recovery: Recipient and Subrecipient Job Aid Section (C)(l)*, where "each recipient or subrecipient requesting PA funding for vaccination efforts and associated activities must substantiate how equity was considered as part of its vaccine administration strategy," and which notes that within the equitable access reporting for vaccine site selection, reports may also include a comparison of vaccination rates for demographic groups by geographic area to identify populations likely to have access barriers in receiving a vaccine.

In addition to the FEMA-specific policy and job aid, the Centers for Disease Control (CDC) has also published guidance to help direct equitable access utilizing the implementation of SDOH including *COVID-19 Vaccine Equity for Racial and Ethnic*

Minority Groups In this publication, the CDC outlines that there are many social, geographic, political, economic, and environmental factors that create challenges to vaccination access and acceptance; however, engaging with disproportionately impacted groups and offering additional resources can mitigate vaccine equity concerns as displayed with the implementation of the SDOH study and subsequent NCOEM establishment of additional vaccination sites.

V. REQUEST FOR ORAL ARGUMENT/HEARING:

The Nueces County Hospital District, Texas respectfully requests that a hearing in connection with this arbitration proceeding be granted in accordance with the arbitration rules set forth in 44 CFR 206.206 at the CBCA in Washington D. C., in New Orleans, in Houston, and by Zoom.

VI. RELIEF REQUESTED:

The Nueces County Hospital District, Texas respectfully requests that this Honorable Panel determine that FEMA should provide FEMA Public Assistance funding for the costs which incurred and paid in the amount of \$503,127.00 in developing and implementing in coordination with the Nueces County Emergency Operation Center the specific plan for the distribution of Covid-19 vaccines to the rural underserved communities through Alternate Care sites.

ALTERNATIVELY, AND ADDITIONALLY, the Nueces County Hospital District, Texas RESPECTFULLY REQUESTS all the relief to which it is entitled in law and equity.

/s/ Michael G. Gaffney

MICHAEL G. GAFFNEY (La Bar #5868)

CHRISTOPHER M. GAFFNEY (La Bar # 34290)

3015 19th Street

Metairie, LA 70002

Phone: 504-299-7169

Fax: 504-335-1915

CHARLES V. CUSIMANO (La Bar # 28858)

3015 19th Street
Metairie, LA 70002
ATTORNEYS FOR NUECES COUNTY
HOSPITAL DISTRICT

Submitted this 16th day of June 2023.

NUECES COUNTY HOSPITAL DISTRICT
GMPN 674808
PW 676-COVID 19 PANDEMIC
EXPENDITURES
REQUEST FOR ARBITRATION
EXHIBIT LIST

1. FEMA First Appeal Determination dated April 18, 2023
2. Timeline for Covid-19 prepared by the CDC (Center for Disease Control)
3. Report provided by Accenture.
4. Report provided by Texas Health Institute.

M:\client doc\Nueces County\NCHD\202306002 Arbitration Demand NCHD.docx

Memorandum

To: Board of Managers
From: Jonny F. Hipp, Administrator
Date: June 27, 2023
Re: Revise/Update Basis of Hospital District's FY 2023 Health Care Provider Participation Program Assessment

INTRODUCTION:

The goals of these Health Care Provider Participation Program ("HCPPP") agenda items are to:

1. inform the Board of Managers of the insufficiency of projected Local Provider Participation Fund ("LPPF") balances for the remainder of Fiscal Year 2023; and
2. if approved, to operationalize a method of generating additional LPPF funds to be used to cover, in part, the projected intergovernmental transfer ("IGT") funds needed to support the Texas Health and Human Service Commissions' ("HHSC") current Medicaid supplemental payment programs for the remainder of FY 2023.

The LPPF was created by the Hospital District as a part of its FY 2023 HCPPP.

Texas Health and Safety Code, Chapter 298C, as amended, authorizes the Hospital District to participate in a HCPPP, create an LPPF, and require mandatory payments by institutional health care providers.

BACKGROUND:

According to current projections, the LPPF will not have sufficient funds to cover the projected intergovernmental transfer funds needed to fully support the Texas Health and Human Service Commissions' ("HHSC") current Medicaid supplemental payment programs for the remainder of FY 2023.

DISCUSSION:

The FY 2023 HCPPP assessment levied by the Hospital District uses an underlying 2020 Net Patient Revenue ("NPR") data reported to HHSC by the paying providers. Rebasement of the assessment by utilizing 2021 data will increase the annual assessment by about \$10.5 million. The 2021 data is latest available released data from the Texas Department of State Health Services ("Department").

The institutional health care providers subject to the HCPPP have requested that the Hospital District utilize the 2021 data reported by them to Department to rebase the FY 2023 HCPPP to generate additional IGT funds to maximize, as much as possible, the draw down available Medicaid supplemental payment programs funds for the remainder of FY 2023. The providers' 2021 reported data generally has increased NPRs compared to the 2020 data.

RECOMMENDATION:

Discuss and consider authorizing the Administrator to revise/update participating providers' net patient revenue data used by the Hospital District to calculate the participating providers' mandatory payments authorized under the Health Care Provider Participation Program created by the Hospital District for Fiscal Year 2023 pursuant to Texas Health and Safety Code ("Health Code"), Chapter 298C, as amended; authorize the Administrator to revise/update the calculations used to determine the participating providers' mandatory payments for Fiscal Year 2023 using the most recently available financial and utilization data reported by the Providers to the Texas Department of State Health Services ("Department") under Health Code, Sections 311.032 and 311.033 as most recently released by the Department. (ACTION)

John F. Wipp

FY 2023 Health Care Provider Participation Program Using 2020 Net Patient Revenue Data

Year	FACILITY	COUNTY	LOCATION	Annual Net Pt Rev	6 Pct	Qtrly Payment	CNTY	FID
2020	CHRISTUS Spohn Hospital Shoreline Corpus Christi	NUECES	600 Elizabeth Street	572,866,879.00	34,372,012.74	8,593,003.19	178	3550740
2020	Corpus Christi Rehabilitation Hospital	NUECES	5726 Esplanade Drive	17,417,099.00	1,045,025.94	261,256.49	178	3556502
2020	Driscoll Children's Hospital	NUECES	3533 South Alameda Street	312,648,029.00	18,758,881.74	4,689,720.44	178	3550737
2020	PAM Rehabilitation Hospital of Corpus Christi	NUECES	345 S Water Street	22,714,356.00	1,362,861.36	340,715.34	178	3556595
2020	PAM Specialty Hospital of Corpus Christi North	NUECES	600 Elizabeth Street Third Floor	22,792,835.00	1,367,570.10	341,892.53	178	3556336
2020	South Texas Surgical Hospital	NUECES	6130 Parkway Drive	40,315,362.00	2,418,921.72	604,730.43	178	3556461
2020	The Corpus Christi Medical Center - Bay Area	NUECES	7101 South Padre Island Drive	381,024,936.00	22,861,496.16	5,715,374.04	178	3556218
				1,369,779,496	82,186,770	20,546,692		

FY 2023 Health Care Provider Participation Program Using 2021 Net Patient Revenue Data (NPR)

Year	FACILITY	COUNTY	LOCATION	Annual Net Pt Rev	6 Pct	Qtrly Payment	CNTY	FID
2021	CHRISTUS Spohn Hospital Corpus Christi Shoreline	NUECES	600 Elizabeth Street	633,192,468.00	37,991,548.08	9,497,887.02	178	3550740
2021	Corpus Christi Rehabilitation Hospital	NUECES	5726 Esplanade Drive	18,835,548.00	1,130,132.88	282,533.22	178	3556502
2021	Driscoll Children's Hospital	NUECES	3533 South Alameda Street	375,123,326.00	22,507,399.56	5,626,849.89	178	3550737
2021	PAM Rehabilitation Hospital of Corpus Christi	NUECES	345 S Water Street	24,249,744.00	1,454,984.64	363,746.16	178	3556595
2021	PAM Specialty Hospital of Corpus Christi North	NUECES	600 Elizabeth Street Third Floor	21,904,932.00	1,314,295.92	328,573.98	178	3556336
2021	South Texas Surgical Hospital	NUECES	6130 Parkway Drive	45,807,176.00	2,748,430.56	687,107.64	178	3556461
2021	The Corpus Christi Medical Center - Bay Area	NUECES	7101 South Padre Island Drive	426,686,601.00	25,601,196.06	6,400,299.02	178	3556218
				1,545,799,795.00	92,747,987.70	23,186,996.93		

Provider	2020 NPR @ 6%	2021 NPR @ 6%	Supplemental Assessment FY 2023
CHRISTUS Spohn Hospital Corpus Christi Shoreline	34,372,012.74	37,991,548.08	3,619,535.34
Corpus Christi Rehabilitation Hospital	1,045,025.94	1,130,132.88	85,106.94
Driscoll Children's Hospital	18,758,881.74	22,507,399.56	3,748,517.82
PAM Rehabilitation Hospital of Corpus Christi	1,362,861.36	1,454,984.64	92,123.28
PAM Specialty Hospital of Corpus Christi North	1,367,570.10	1,314,295.92	(53,274.18)
South Texas Surgical Hospital	2,418,921.72	2,748,430.56	329,508.84
The Corpus Christi Medical Center - Bay Area	22,861,496.16	25,601,196.06	2,739,699.90
	82,186,769.76	92,747,987.70	10,561,217.94

Commissioners Court - Regular

3.C.1.

Meeting Date: 06/07/2023

Discuss and consider method of procurement RFP (request for proposals) for Jail Diversion Program Services; and authorize the Purchasing Agent to publish a notice.

Submitted For: Joe Gonzalez, Commissioner Pct 2

Submitted By: Michael Robinson, Purchasing Department

Department: Commissioner Pct 2

Information

RECOMMENDATION

Discuss and consider method of procurement RFP (request for proposals) for Jail Diversion Program Services; authorize the Purchasing Agent to publish a notice; and adopt an Order delegating evaluation authority to a selection committee.

BACKGROUND

Nueces County is seeking partnership with a vendor who can provide community-based and residential services to adjudicated adult offenders being diverted from incarceration or released from current incarceration. This program should also include services for associated substance abuse issues, crisis services and jail diversion, magistrate court orders and pre-trial diversion, local competency restoration and other similar related programs.

DISCUSSION

Recommendation is to approve method of procurement RFP (request for proposals) for Jail Diversion Program Services; authorize the Purchasing Agent to publish a notice; and adopt an Order delegating evaluation authority to a selection committee.

Budget Information

Information about available funds

Budgeted: Funds Available: Adjustment: Amount Available:

Unbudgeted: Funds NOT Available: Amendment:

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

Order for Jail Diversion Services

Commissioners Court - Regular

3.A.6.

Meeting Date: 06/21/2023

NCHD funding request for Public Health services for FY 23/24

Submitted For: Aidee Hernandez, Commissioners Court Admin

Submitted By: Tara Corwin, Commissioners Court Admin

Department: Commissioners Court Admin

Information

RECOMMENDATION

Discuss and consider authorizing request for funding for \$2,313,000.00 from the Nueces County Hospital District for Public Health services and activities for Fiscal Year 2023-24.

BACKGROUND

Proposed Request for FY 2023-24 from Nueces County to Nueces County Hospital District for the following programs:

	FY 2023-24			
Health Department/ Vector Control	\$2,000,000.00			
Staff Salaries, Expenses Outreach Medical Clinic	273,000.00			
Mobile Clinic	40,000.00			
Proposed request for FY 2023/24	\$2,313,000.00			
	FY 2023-24	FY 2022-23	Difference	% Increase
Health Department/ Vector Control	\$2,000,000.00	\$2,000,000.00	\$ -	0%
Staff Salaries, Expenses Outreach Medical Clinic	273,000.00	273,000.00	-	0%
Mobile Clinic	40,000.00	30,000.00	10,000.00	25%
Proposed request for FY 2023/24	\$2,313,000.00	\$2,303,000.00	\$10,000.00	.43%

DISCUSSION

The \$2,000,000 is intended to cover the expenses from the Health Department and Vector control expenses. The Health Department is requesting a total of \$1,853,560.80, which includes a five percent increase compared to the FY 2022-23, which was \$1,765,296. The difference of \$146,439.20 will be used to cover expenses related to Vector Control.

The \$273,000 is intended to cover the expenses related to the Outreach Medical Clinic located at the Calderon Building. On May 10, 2023, the court approved the transfer and realignment of two county positions previously under the Mental Health Programs.

The \$40,000 is intended to cover expenses related to the Mobile Clinic.

Budget Information

Information about available funds

Budgeted: Funds Available: Adjustment: Amount Available:

Unbudgeted:

Funds NOT Available:

Amendment:

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

No file(s) attached.

CHRISTUS Health OxBlue Construction Time-Lapse Camera

OxBlue Login

URL: <https://app.oxblue.com/login>

USERNAME: jonny.hipp@nchdcc.org

PASSWORD: NCHD

FOURTH AMENDMENT TO LEASE

This Fourth Amendment to Lease is made and entered by and between ERF TOWER II, INC., a Texas non-profit corporation, hereinafter the "Landlord" and NUECES COUNTY HOSPITAL DISTRICT, a hospital district created pursuant to Chapter 281 of the Texas Health and Safety Code, hereinafter the "Tenant."

WITNESSETH:

WHEREAS, by that certain Lease dated effective October 22, 2002, hereinafter the "Original Lease", where TRST Corpus, Inc. as landlord leased to Tenant certain office space located on the 9th floor of the building known as Tower II, located at 555 North Carancahua, Corpus Christi, Texas 78401, hereinafter the "Building". The Original Lease was amended by a First Amendment to Lease Agreement dated November 21, 2007, hereinafter the "First Amendment", a Second Amendment to Lease Agreement dated May 21, 2013, hereinafter the "Second Amendment", and a Third Amendment to Lease Agreement dated May 22, 2018, hereinafter the "Third Amendment";

WHEREAS, the Original Lease, First Amendment, Second Amendment and Third Amendment including all addendums, riders, and exhibits thereto, is hereinafter collectively referred to as "Lease";

WHEREAS, the leased premises defined in the Lease as Suite 950 contains approximately 7,359 square feet is hereinafter referred to as "Original Premises";

WHEREAS, the Lease has an expiration date of May 31, 2023;

WHEREAS, Landlord is successor in interest to ERF Tower II, Inc to the Lease;

WHEREAS, Tenant has requested and Landlord has approved Tenant to reduce the square footage of the Original Premises by giving back to Landlord 1,193 square feet of lease space of the Original Premises and extend the term for thirty-six (36) months as set forth below; and

WHEREAS, Landlord and Tenant now desire to amend the Lease in order to modify certain provisions of the Lease.

AGREEMENT

NOW, THEREFORE, for and in consideration of the covenants and mutual benefits to be derived by the parties hereto from the matters set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, Landlord and Tenant agree to amend the Lease as follows:

1. Premises.

IT IS AGREED that all references contained in the Lease to Premises, including, but not limited to those references contained within the Original Lease shall on June 1, 2023 and thereafter refer to approximately 6,166 square feet of area. This amendment reflects Tenant's agreement to give back approximately 1,193 square feet of the Original Premises. The remaining premises is hereinafter referred to as "Premises." The Premises after the reduction is further described and shown on Exhibit "A" attached hereto and made a part hereof for all purposes. Tenant agrees to vacate and give back the approximate 1,193 square feet of lease space on or before May 31, 2023 in broom clean condition and as required by the Lease.



2. **Condition of Premises.**

Tenant is currently in possession of the Premises. Tenant hereby agrees that Tenant accepts the Premises in "AS IS" condition. Tenant agrees that Landlord has not made any warranties to Tenant with respect to the quality of construction of any existing leasehold improvements or as to the condition of the Premises except as set forth in this amendment, either expressed or implied, and Landlord hereby expressly disclaims any implied warranties that the Premises is or will be suitable for Tenant's "intended commercial purpose." Tenant hereby request the improvements required to reduce the premises by Landlord as set out in the Exhibit "A" which shall be paid in its entirety by Landlord.

3. **Term.**

IT IS FURTHER AGREED that all references contained in the Original Lease to Tenant's expiration date, including those mentioned in Section 3 (entitled "Term") and any other provision wherein reference is made to Tenant's expiration date for the Lease shall hereinafter refer to an expiration date of May 31, 2026. This amendment reflects the parties' agreement to extend the Term by thirty-six (36) months.

4. **Basic Rental.**

IT IS FURTHER AGREED that all references contained in the Lease to Basic Rent, including but not limited to those references contained within the Original Lease within Section 4 (entitled "Rent"), and any other provision wherein reference is made to the amount of monthly Basic Rental owed by Tenant to Landlord shall hereinafter refer to an amount of monthly Basic Rental for the Premises for the periods as follows:

Period	Per square foot/yr.	Monthly Installment of Basic Rental	Annual Base Rental
June 1, 2023 - May 31, 2024	\$16.75	\$8,606.71	\$103,280.50
June 1, 2024-May 31,2025	\$17.00	\$8,735.17	\$104,822.00
June 1,2025-May31,2026	\$17.25	\$8,863.63	\$106,363.50

The monthly Basic Rental as amended is in addition to Tenant's proportionate share of the Excess of the Basic Costs as those terms are defined in the Lease, grossed up to 95% occupancy on controllable expenses.

5. **Parking.**

Effective on and as of the Fourth Amendment Extension Term Commencement Date, Tenant's parking allocation shall be modified as follows: ten (10) parking spaces which nine (9) of those spaces are reserved spaces and one (1) unreserved parking space.

Parking rates shall be:

Unreserved: \$35.00 plus any applicable taxes, per month per space

Reserved: \$55.00 plus any applicable taxes, per month per space

Amir

6. Renewal Option.

Tenant shall have the option to renew this Lease for two (2) renewal terms of one (1) year. Any such renewal term shall be on the same terms and conditions set forth herein for the initial term, except that during the renewal term the rental shall continue the \$0.25 per square foot annual increases. In order to exercise the option to renew, Tenant must deliver written notice of such at least ninety (90) days prior to end of the initial term.

7. Early Termination.

Upon Tenant providing one hundred twenty (120) days prior written notice to Landlord of Tenant's intent to terminate this agreement before the designated expiration date of the lease, Tenant agrees to pay Landlord the remaining unpaid amortized portion of the Leasehold Improvement. The Lease termination shall not become effective until Tenant fulfills all requirements as stated in this Early Termination provision and until Landlord and Tenant mutually execute a Lease termination document.

7. Notices.

IT IS FURTHER AGREED that the Lease regarding addresses for notices is hereby amended to revise Landlord's new addresses for notice as follows:

To the Landlord: Quincy Management, Inc. Leasing Office
555 N. Carancahua, Suite 200
Corpus Christi, Texas 78401

8. Miscellaneous

(a) All the terms of the Lease not otherwise modified or changed by this document shall remain in full force and effect, according to the terms thereof. Landlord and Tenant hereby ratify and confirm the Lease as amended hereby. Tenant expressly states that Landlord is not in default on the terms of the Lease.

(b) Landlord and Tenant expressly acknowledge that the Lease as amended represents the entire agreement between Landlord and Tenant.

(c) Landlord and Tenant each represent and warrant that the party executing this document on behalf of such party possesses all lawful rights and authority to enter into this document on behalf of that party; that there are no judgments, decrees, or outstanding orders of any court prohibiting the execution of this document; and that all required approvals, consents and resolutions necessary to effectuate the terms and provisions of this document

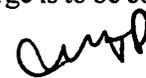
(d) Landlord and Landlord's agents and Tenant and Tenant's agents have made no representations or promises, express or implied, in connection with this document except as expressly set forth herein.

(e) Each Exhibit if any attached hereto is made a part hereof for all purposes.

(f) The section headings contained in this document are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several sections hereof.

(g) All terms not otherwise defined herein shall have the same meaning assigned to them in the Lease.

(h) Charges in Lease. Landlord and Tenant agree that each provision of the Lease (as amended by this amendment) for determining charges, amounts, and expenses payable by Tenant is commercially reasonable and, as to each such charge or amount, constitutes a method by which the charge is to be computed" for purposes of Section 93.012 of the Texas Property Code.



(i) Brokers. Tenant represents and warrants to Landlord that Tenant has not caused or incurred any claim for brokerage commissions or finders fees to arise in connection with the execution of this amendment. Tenant shall only defend, indemnify, and hold Landlord harmless from and against all liabilities, including without limitation, reasonable attorney's fees, and costs, arising from any valid claim(s) evidenced by a written agreement between Tenant and any other Broker or agent and which is executed by individuals authorized as signatories for Tenant and Broker or agent making said claim.

EXECUTED in multiple counterparts, each of which shall have the full force and effect of an original, on the later of the dates mentioned below. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of an electronic format data file (i.e.. pdf), such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf signature page was an original thereof. If so executed, each of such counterparts is to be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one agreement.

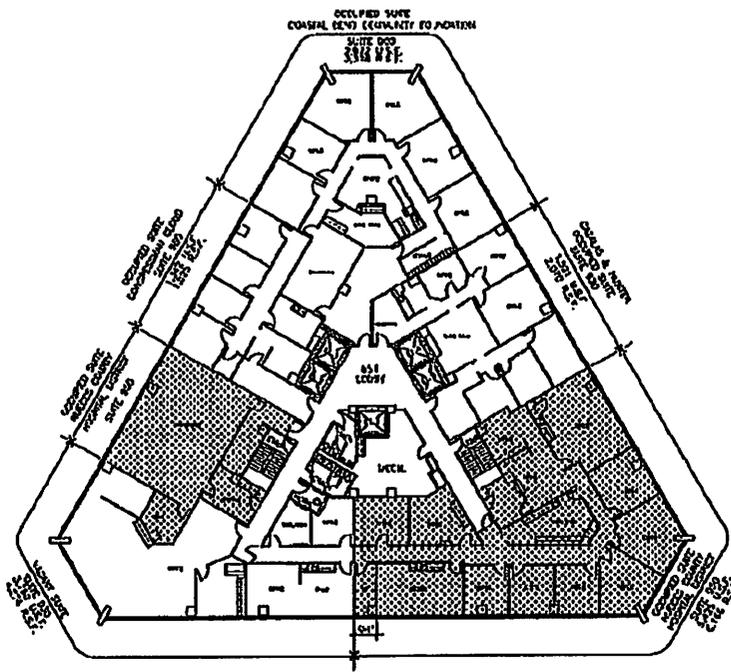
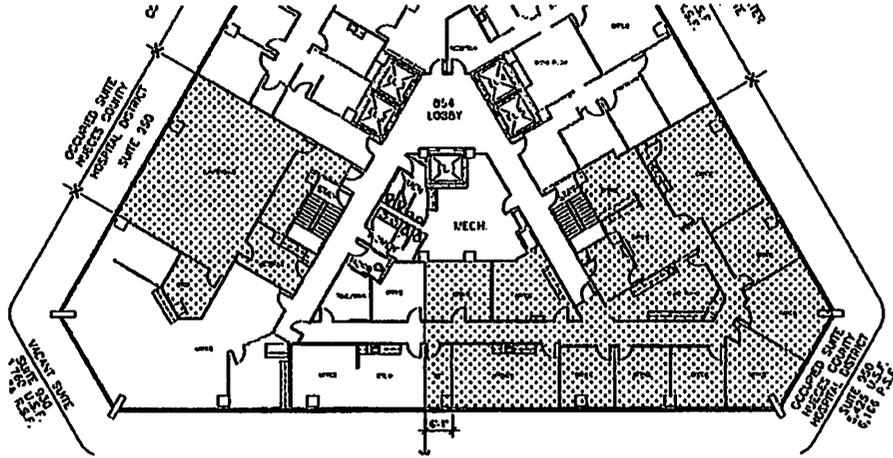
LANDLORD:
ERF TOWER II, INC.,
a Texas non-profit corporation

By: Paul D. Althuis
Name: _____
Title: _____
Date: 5/31/2023

TENANT:
NUECES COUNTY HOSPITAL DISTRICT, a
hospital district created pursuant to Chapter 281 of the
Texas Health and Safety Code

By: January F. Hipp
Name: January F. Hipp
Title: Administrator / CEO
Date: 5/31/23

EXHIBIT "A"
Premises
6,166 RSF





**Nueces County
Hospital District**

**NOTICE OF
REQUEST FOR APPLICATION
for
DEPOSITORY AND BANKING SERVICES**

...

RFA No. 2023-01

Issue Date: June 26, 2023

Due Date: July 21, 2023 @ 2:00 P.M.

Deliver Application to:

NUECES COUNTY HOSPITAL DISTRICT
ADMINISTRATIVE OFFICES
555 North Carancahua Street – Suite 950
Corpus Christi, Texas 78401-0835



TABLE OF CONTENTS

- 1.0 REQUEST FOR APPLICATION AND SUBMISSION INSTRUCTIONS**
- 2.0 AGREEMENT TERMS AND CONDITIONS**
- 3.0 NCHD OVERVIEW**
- 4.0 REQUIRED SERVICES**
- 5.0 REQUIRED BANKING SERVICES**

ATTACHMENT A: Proposed Fee Schedule

ATTACHMENT B: NCHD Signature Form

ATTACHMENT C: Client Reference Form

Applications must be submitted in a sealed envelope or package, plainly marked with the Applicant's name and address, the RFA number and Application title clearly marked on the outside.

1.3.2 LATE SUBMISSION

Applications received in Accounting after the published deadline WILL NOT be considered and will NOT be returned.

1.3.3 ACCEPTANCE OF TERMS AND CONDITIONS

Submission of an Application shall be considered by the District as prima facie evidence that the Applicant is familiar with, and understands and accepts, the solicitation, its terms and conditions, etc., under which the agreement is to be awarded, administered, and performed, as set forth in this RFA. The District will not be responsible for any interpretations.

1.3.4 OWNERSHIP OF APPLICATION

All materials submitted in response to this request become the property of the District and will become a part of any resulting contract. Award or rejection of an Application does not change this right.

1.3.5 COVER LETTER

Application shall include a cover letter signed by a duly authorized representative of the Applicant using complete legal names and titles. The letter shall state that the Application and prices quoted shall remain open and irrevocable for a period of 180 days from the submission deadline. All prices submitted shall be binding upon the successful Applicant for the full period of the Agreement.

1.3.6 PREPARATION COSTS

The District is not responsible for any submission costs or any expenses incurred in presentation of the Application. Such costs SHALL NOT be included in the Application prices.

1.3.7 PUBLIC APPLICATION OPENING

Only the names of the responding Applicants will be made public at a special Board of Managers Meeting on July 25, 2023 at 12:00 pm CST in the NCHD Board Room at 555 N. Carancahua, Suite 950-A, Corpus Christi, Texas. Applications may be viewed publicly in the Accounting/Finance Department after the award has been made and notification given to all respondents, subject to the Public Information Act and other applicable laws.

1.3.8 GOOD-FAITH PERFORMANCE GUARANTEE

As required by the Texas Local Government Code, §116.023(b)(2) and §116.023(c), with the Application, Applicants shall submit a good-faith guarantee which shall consist of either a certified or cashier's check in the amount of one hundred eighty-eight thousand eight hundred and nine dollars (**\$188,809**), which represents one-half percent (½%) of the District's tax revenue for the preceding fiscal year. If the depository is selected to be the district depository, but it fails to enter into the Agreement and/or fails to execute and file a depository bond that is approved by the District, the Applicant's check shall be cashed and retained by the District. Upon executing the agreement and filing a depository bond approved by the District, the check shall be returned to the successful applicant. All other checks will be returned to unsuccessful Applicants after the award of the contract.

1.4 RFA QUESTIONS

No pre-Application conference will be held. Questions on the RFA must be submitted in email form only to belinda.espinoza@nchdcc.org by July 5, 2023 at 3:00pm.

Responses to all questions submitted will be emailed to all known Applicants July 10, 2023 at 3:00pm. No other communications are permitted with any District employee or Board member regarding this RFA.

1.5 ADDENDA

1.5.1 The District reserves the right to issue addenda to the RFA at any time as a result of questions, change in acquisition schedule, or other matters. Addenda will be sent to all known Applicants.

1.6 ORAL PRESENTATION

1.6.1 ORAL PRESENTATION

An oral presentation may be required after written Applications are received. Each Applicant should be prepared to discuss and substantiate any of the areas as submitted, its own qualifications for the services rendered, and any other area of interest relative to this Application.

1.7 APPLICATION ERRORS

1.7.1 ERRORS IN APPLICATIONS

The District will not be liable for any errors in Applications. Applicant modifications to Applications WILL NOT be accepted after the closing date and time.

1.7.2 RFA CORRECTIONS

The District reserves the right to make corrections during the evaluation process.

1.7.3 MODIFYING APPLICATIONS

Applicants may modify or amend an Application only in writing, at any time prior to the due date and time listed. Modified Applications shall be submitted as a new Application and must be signed and initialed by the Applicant.

1.7.4 WITHDRAWING APPLICATIONS

Applicants may withdraw an Application at any time prior to the due date and time listed. Applicants shall submit a written withdrawal request to the District signed by an authorized representative of the Applicant prior to the due date and time listed in this RFA.

1.8 EVALUATION OF APPLICATIONS

1.8.1 Applications will be reviewed for completeness and compliance with all other requirements including submittal, instructions, provisions, and terms and conditions of this RFA. Applications which fail to comply with the mandatory requirements of the RFA will be rejected as non-responsive and eliminated from further consideration.

1.8.2 All responsive Applications will be evaluated by District staff. The evaluation will be presented to the District's CEO. The CEO will review the evaluation and make a recommendation to the District's Board of Managers for award of the contract to the Applicant whose Application is determined to be the most advantageous Application and offers the most favorable terms and conditions for the District.

1.8.3 All responses to this RFA shall be subject to verification by the District. Any Application material or information which cannot be verified or confirmed may result in rejection.

1.8.4 The evaluation will be based on the following selection criteria.

- Total net cost of services (30%)
- Banking services provided (20%)

- Earnings potential in various account structures from historical rates (30%)
- Creditworthiness, financial soundness and capacity of the Bank (10%)
- Customer service; demonstration of understanding of District’s overall requirements and degree of responsiveness to the RFA (10%)

1.9 AWARD

1.9.1 The District reserves the right to award a contract on the basis of initial Applications only. Therefore, each initial Application should contain the Applicant’s best offer.

1.9.2 The awarded Applicant will be notified at the August 22, 2023 meeting of the Board of Managers.

1.9.3 After award, letters will be sent to the other responding Applicants notifying them of the award after which the cashier’s checks will be returned, and the complete Application file is public and available for review in the District’s Accounting/Finance Department, subject to the Public Information Act and other applicable law. After qualification the cashier’s check will be returned to the successful applicant.

1.9.4 The successful Applicant must have collateral in place at least two days before any funds are deposited if applicable.

2.0 AGREEMENT TERMS AND CONDITIONS

Any bank depository award is expressly conditioned on Applicant’s acceptance of the District’s Standard terms, conditions and specifications of this RFA. The RFA and the awarded Application will be made a part of the final agreement.

The awarded contract shall be for a period of four (4) years (pursuant to the Texas Health and Safety Code, §281.093(b)), commencing October 1, 2023, through September 30, 2027.

2.1 LAWS, REGULATIONS AND POLICIES

The District requires that all responses to this RFA, and any agreement that may result therefrom, be in accordance with federal, state and municipal laws and regulations, and District Board of Managers policies.

2.2 FDIC INSURANCE

The District requires that all Applicants be insured by the Federal Deposit Insurance Corporation (FDIC).

2.3 GEOGRAPHIC LOCATION

Applicants must have commercial walk-in banking facilities geographically located within Corpus Christi, Texas.

2.4 INDEMNIFICATION

Applicant agrees to defend, indemnify and hold the District harmless from any expenses, damages and/or claims arising from, related to or connected with the performance under this agreement by Applicant, its agents or employees. Applicant agrees to indemnify and save harmless the District, its officers, agents and employees with respect to any claim, action, cost or judgment arising out of purchase or use of materials, supplies, equipment or services covered by any contract resulting from this solicitation.

The District shall not assume any obligation to indemnify, hold harmless or pay attorney’s fees that may

arise from or in any way be associated with the performance of this contract.

2.5 PAYMENT TERMS

If payment is on a fee basis, the fees may be debited from the designated account only after review and written approval by the District of analysis charges. If the District elects a compensating balance basis, the carry-over of charges will be on a semi-annual basis at a minimum.

2.6 PRICE PROTECTION

All prices and terms proposed by the Applicant shall be governed by the proposed Attachment A which is then incorporated into bank depository agreement and be valid throughout the contract period. If new services are added during the contract term they will be charged at no more than the then-current published rate.

2.7 CONFLICT OF INTEREST

By submitting an Application, the Applicant certifies that no unlawful relationship exists between the Applicant and the District, its Board of Managers, or employees, that interferes with fair competition or is a conflict of interest. For purposes of this RFA, "conflict of interest" shall be defined and interpreted by the relevant District Board of Managers policy and Texas Local Government Code, §131.903. Applicant shall complete a Form 1295 with the Texas Ethics Commission and submit with the Application. A House Bill 89 Verification (Boycott Israel) shall also be completed.

2.8 FORCE MAJEURE

Neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of such party that could not be audited by exercise of due care.

2.9 PROHIBITION AGAINST GRATUITIES

The District may terminate the right of the Applicant to proceed under the awarded contract, if it is found by the District that gratuities in the form of entertainment, gifts, or otherwise were offered or given by the Applicant or any employee, agent, or representative of the Applicant, to any employee of the District with a view toward securing this contract, or securing favorable treatment with respect to the award or amendment of the award, or the making of any determination with respect to the performance of this contract.

By submitting an Application, the awarded Applicant certifies that no appointed official, officer or employee of the District has benefited or will benefit financially or materially from this award. The awarded contract may be terminated by the District if it is determined that gratuities of any kind were offered to or received by any of the aforementioned individuals at the District.

2.10 OPEN RECORDS

The District is subject to terms and provisions of the Texas Public Information Act (Texas Local Government Code, Chapter 552). Any material that is to be considered confidential shall be clearly marked as such and will be treated as confidential by the District to the extent allowable under the Act.

2.11 INDEPENDENT CONTRACTORS

Applicant and all employees of the Applicant shall be considered Independent Contractors. Any and all claims that may arise under Texas Workers Compensation statutes, on behalf of said employees, and any and all claims made by any third-party as a consequence of any act of omission on the part of the service provided to be rendered herein shall in no way whatsoever be the obligation or responsibility of the District.

2.12 MULTI-YEAR AGREEMENTS CONTINGENT UPON APPROPRIATIONS

If funds are not made available by the District for any fiscal year of this contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise not made available. The effect of termination of the contract will discharge both the depository and the District from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The District shall notify the depository as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

REQUEST FOR APPLICATION
for
DEPOSITORY AND BANKING SERVICES

As provided in the Texas Health and Safety Code, §281.093(a)(1), the Nueces County Hospital District's Board of Managers has elected to exercise its option to initiate a depository selection process in compliance with Chapter 116 of the Texas Local Government Code.

It is the District's intent to select an Applicant that will satisfy the District's terms and specifications as described in this Request for Applications (RFA), and at the same time to reasonably compensate the Applicant for services provided.

It is the District's intent that the Depository selected through this process will provide all the services required in the RFA. Additional services offered by the Applicant may be presented. The Required Services are minimum requirements, and any Applicant refusing or failing to provide such minimal services will not be considered for selection as Depository.

3.0 NCHD OVERVIEW

GENERAL DISTRICT INFORMATION

The Nueces County Hospital District is a political subdivision and special district of the State of Texas, having been created by the voters of Nueces County, Texas in an election held on November 5, 1968, pursuant to Article IX, Section 4 of the Texas Constitution. The District is operated in accordance with Chapter 281, Texas Health and Safety Code. The District employs a staff of 20+ employees to facilitate operations of the District's statutorily obligated indigent health care program. On October 1, 1996, the District entered into an exclusive long-term agreement with Spohn Health System Corporation to provide indigent healthcare services in Nueces County. With changes made in 2015 the District has become a member with Spohn and the District and receives membership revenue weekly as a percent of net revenue. That revenue is approximately \$12 million per year.

Staff activities occur at four locations: the District's administrative office located at 555 North Carancahua, Suite 950, in Corpus Christi; a main eligibility determination office situated within Hector P. Garcia Clinic in Corpus Christi; one neighbor care clinic located in Corpus Christi; and an additional clinic in Robstown. Staff activities are directed by an administrator/chief executive officer ("CEO") who reports to the District's Board of Managers.

The Assistant Administrator and a Director of Accounting/Finance are responsible for the day-to-day banking activities. The Assistant Administrator will monitor the Applicant's performance against provisions of the agreement and will be responsible for administering the agreement. A list of additional District personnel authorized to deal directly with the Applicant will be provided following contract award.

The Accounting/Finance Department handles all accounts payable, accounts receivable, and banking functions. The Department also manages the District's treasury, depository, and investment functions, in accordance with the District's Investment Policy. The District's fiscal year is October 1-September 30.

The District's principal sources of revenue are from ad valorem property taxes levied in Nueces County and the Spohn membership. The District's tax related revenue in 2022 totaled \$37,761,713. Tax revenue is collected by Nueces County and remitted by ACH direct deposit to the District usually through a pool deposit.

The District maintains one operating, one payroll bank, and an additional checking account (LPPF). The average monthly ledger balance for Fiscal Year 2022/2023 was \$23,560,92 as shown in Attachment A.

Generally, there is an accounts payable check run once a week, which contains an average of 30 checks. The District also executes approximately four wires and 60-90 originating ACH transactions per month. Payroll is distributed bi-weekly with 100% in direct deposit (ACH) averaging \$53,000.

The District's investment policies, practices and procedures are regulated by State law and further governed by the District's Investment Policy which is available at www.nchdcc.org. The awarded depository will be required to review the District's Investment Policy. All investments will be made outside of this contract and controlled solely by the District.

4.0 REQUIRED SERVICES

4.1 CUSTOMER SERVICE

Service will be a primary focus of the evaluation. Describe the bank's philosophy and approach to satisfying this need through your responses to the following. The District is particularly interested in high-performance customer service.

- a. What is distinctive about the bank's approach to customer service? How does the bank anticipate satisfying the District's need for customer service?
- b. How many individuals does the bank have in the local bank? How will the bank provide relationship support for its services?
- c. How will local service and overall contract performance be monitored and problems tracked?
- d. How does the bank intend to support the ongoing automation needs of the District?
- e. Is the bank offering any transition or retention incentives? Describe fully and quantify.
- f. What level of community service does the bank and its employees contribute to Corpus Christi?
- g. The District requires the right to use a third party auditor to review the District's accounts, collateral, transactions, and bank records at any reasonable time. Confirm agreement with this condition.
- h. The Depository will be required to review the District's Investment Policy and certify to that review in accordance with Texas Government Code Chapter 2256. Confirm agreement with this requirement.

4.2 CREDITWORTHINESS

In order to fulfill the District's fiduciary responsibility to protect public funds, each bank submitting an Application shall provide the following in response to this question.

- a. Provide a link to the audited annual financial statement for the most recent fiscal period. The bank will be required to submit an audited statement to the District each year of the contract period, as soon as it is available. Confirm agreement to this requirement.
- b. Provide the bank's current Community Reinvestment Act (CRA) rating by its rating agency.
- c. Provide the bank's most recent senior and subordinate debt ratings of the holding company. As an alternative for privately held banks provide the rating from an independent rating agency such as Highline, Veribanc, or comparable bank rating agency. The bank will be contractually liable for notifying the District within fifteen (15) days of any change in any of these ratings during the contract period. Confirm agreement to this requirement.

4.3 REFERENCES

List references from three comparable Texas public entity clients. For each reference, include a client contact, title, e-mail address, and telephone number. (Attachments C – Client Reference Form)

4.4 DEPOSITORY AGREEMENT AND SERVICE AGREEMENTS

Provide a copy of all the bank's depository and service agreements which will be required to be executed under the contract for services rendered (including depository and collateral agreement). Any changes required on the agreements will be discussed and agreed upon before award of the contract is made by the District.

4.5.1 IMPLEMENTATION TIMELINE

The contract period will commence October 1, 2023. The District recognizes that not all services and funds will be transferred by this date but expects that all services should be available by that date and anticipates that all funds will be transferred by December 31, 2023.

Default in promised delivery of services, without acceptable reasons, as determined by the District, or failure to meet the terms or conditions of the depository contract without remedy, will represent an event of default and may result in the District having the right to terminate the contract, but the exercising of such right to terminate the contract does not limit any other remedies the District may have for damages or other relief under law.

- a. Provide a proposed, detailed timeline for implementation of the contract. Include each activity required defined by its responsible party and assigned responsibilities. Denote any limitations or potential delay points. The timeline must reflect the number of calendar days required to put the services in place or the end date of when such services will be in place and available to the District.

5.0 REQUIRED BANKING SERVICES

Under this contract, the District will require the option to pay for services on a fee or compensating balance basis dependent upon the rate environment. The District wants all its funds continuously earning at the best, then-current interest rates.

5.1 CONSOLIDATED ACCOUNT STRUCTURE WITH SWEEP MECHANISM

The District does not currently utilize an external sweep but does require the account structure to be available for possible future use under the new contract. A sweep will require a AAA-rated, SEC registered money market fund which strives to maintain a \$1 NAV. Neither a repurchase agreement nor an off-shore account of any type is acceptable as a sweep investment vehicle. Currently there are only two accounts (a general account and a payroll account) both of which are interest bearing.

- a. Describe the bank's ability to provide a ZBA account structure for the sweep and state if interest would be applied at the master or sub-account level.
- b. Indicate your currently most cost beneficial and highest earning structure.
- c. Describe any in-bank alternatives to a sweep structure.
- d. If the bank is offering internal interest bearing accounts on what basis is the rate set? If rates are indexed, state the index basis.
- e. How will sweep activity be accrued and reported (daily or monthly)?

- f. If a sweep is proposed, provide the prospectus for the sweep fund alternatives. A AAA-rated, SEC registered government fund which strives to maintain a \$1 NAV is required.
- g. Is the sweep processed as the last transaction of the day? If it is a next day sweep, describe how funds are collateralized for funds held overnight.
- h. The District may be required or may desire to open additional accounts or close/change accounts during the contract period. Any new accounts shall be charged at the same contracted amount. Confirm agreement to this condition.
- i. Will the bank assess a direct balance based fee on the account analysis? What is the current rate?
- j. Will the bank charge the Reserve Requirement (10%) on calculation of the available balance?
- k. Provide the average rate for the past 12 months and the current rate for each of the following:

	Prior 12 Month Average	Current Rate
ECR	%	%
Interest Bearing Accounts	%	%
Money Market Accounts	%	%
Sweeps	%	%

5.2 AUTOMATED CASH MANAGEMENT INFORMATION ACCESS

The District requires a web-based, single portal cash management service with daily balance reporting and transaction access. It requires a high degree of automation within all service areas. Imaging of all checks with image retention and retrieval is required. Imaging of deposit slips and deposit items is preferred.

The District desires timely access to downloadable information with download capability to the District’s accounting software (MIP Fund Accounting).

- a. Provide a link to the information portal (and sign-on capability) for our review of the system.
- b. Fully describe and list the bank’s on-line service capabilities and systems.
- c. Describe the retention schedules and search capabilities for reports, transactions and images.
- d. Can customized reports draw across reporting modules and activities? Describe cross functionality features.
- e. Is paper back-up required on any transaction type?
- f. Does the system provide cash forecasting capabilities?
- g. Detail the availability, retention, and level of prior day and current day detail and summary reporting. When is prior day information available? Is current day information real-time or delayed?
- h. What current day information is real-time or delayed? What types of transactions and summaries?
- i. Describe provisions for off-site backup and continuation of services in local or regional disaster situations.
- j. Describe the security protocols for online services. How is authentication and authorization provided?
- k. Will the District establishes parameters and administer the security module?
- l. Describe mobile device functions available.
- m. Describe the security protocols established and maintained on mobile devices?
- n. What are the hours of available technical support? Where is the technical support located? How is support provided?

5.3 COLLECTION AND DEPOSIT SERVICES

Twenty-four hour deposit capability is required to accommodate District department activities. All deposits received by the bank's established deadline must be processed same day. Deposits will be made as needed from the downtown location. Deposits are primarily checks. Immediate verification is not required. The bank shall guarantee immediate credit on all incoming wire transfers, on-us items, and securities maturities and coupons. All

other checks clearing will be based on the bank's published availability schedule or remote processing schedule. Failure to timely credit the account will require payment reimbursement to the District at the then-current Fed Funds rate.

The District does not now utilize re-presentation of checks through date-targeted ACH (RCK) but may consider its use during the contract period. Checks are currently presented one time.

- a. What is the bank's daily cut-off time to assure same day ledger and, pending availability, collected credit at branch?
- b. When are credit/debit advices sent to the District? How are these advices sent? What delivery options are available? Are images of originals provided with each advice?
- c. Does the bank have deposit location tracking?
- d. Do daily online reports include activity by account and location?
- e. Does the bank require or prefer strapping and rolling?
- f. Are change orders placed online? How far in advance are orders required?
- g. How does the bank handle discrepancies in deposit amounts?
- h. How and when does notification of return items take place?
- i. If a check is accepted and subsequently returned by the bank NSF, define the process. What obligations/liabilities do the District and bank have? Is an alert sent for a return?
- j. Are returned items imaged and available online? Are they identified by deposit?
- k. How much advance notice is required on change orders?
- l. What type deposit bags are used or required? Are these provided or available from the bank? At what cost?
- m. If provisional credit is given on deposit before verification, when does verification occur?
- n. Describe the bank's remote deposit capabilities. Describe equipment needs. Will the bank provide scanners?
- o. What is the cut-off for remote deposit?
- p. Include a list of all the bank's deposit locations within the District's limits.
- q. Does the bank offer RCK (re-presentation of checks through direct debit ACH)? Describe.

5.3 STANDARD DISBURSING SERVICES

Standard disbursing capability for both accounts is required. The District has a mandatory direct deposit policy. Currently, 100% of the average 20 employees use direct deposit. Manual payroll checks are seldom written.

- a. When is daily check clearing information available online for current day reporting?
- b. How long are transaction details retained online?
- c. Does the bank have the ability to use virtual cards for disbursements? Describe fully.
- d. Does the bank have a commercial card program? Describe including any rebate options.
- e. Does the bank image all checks? When and for how long are images available online?
- f. Describe the NSF process and notifications.
- g. Describe any payment consolidation services.

5.5 RECONCILIATION AND POSITIVE PAY

The District requires positive pay services, preferably payee positive pay, with complete indemnification for fraudulent checks. The bank must provide a web-based process. Transmissions will be made as part of each check run. Individual manual checks must be able to be input online.

The District may combine positive pay services with partial reconciliation services although it currently does not use reconciliation services.

- a. Does the bank have payee positive pay services available?

- b. Describe data transmission file and timing requirements for check registers.
- c. Is positive pay input for batch and manual checks available on-line?
- d. Is exception reporting and handling managed totally online? Describe.
- e. At what specific time is positive pay exception information reported to the District? Is e-mail notification available or must the District be signed on to check for exceptions?
- f. At what specific time is the response required for District exception elections?
- g. Does the bank review exceptions errors for possible repair before creating a District exception item?
- h. Are all checks, including those received over-the-counter by the tellers, verified against the positive pay file before processing? How often is teller information updated?
- i. Are positive pay services provided without charge when provided in tandem with partial reconciliation services?
- j. Describe your partial reconciliation services.
- k. When are reconciliation files/reports available? Are they downloadable? Do they contain images of checks?
- l. Provide samples of reconciliation reports.

5.6 WIRES AND INTERNAL TRANSFER SERVICES

The District rarely uses wires, instead preferring ACH. Most outgoing wires are repetitive and input online. Incoming wire transfers must receive same day credit. Wire initiation and release must be available online. The District will require compensation for delays caused by bank errors at that day's Fed Funds rate.

- a. Can all wire transactions be initiated online? Monitored online?
- b. Can repetitive templates be created and stored?
- c. What security level of authorization/release do repetitive or non-repetitive wires require? Is authorization for repetitive and non-repetitive the same?
- d. Is future dating of wires and internal transfers available? How far in advance?
- e. State wire access, posting, and cut-off times.
- f. State the bank's policy on the use of ledger balances for outgoing wires in anticipation of scheduled activity or incoming wires.
- g. Can internal account transfers be processed on-line? Book debits/credits? Is there a fee for District internal transfers?

5.7 ACH SERVICES

ACH service is currently used for payroll direct deposit and some vendor payments. The District uses ACH for pool and paying agent transactions currently. ACH is not heavily used for vendor payments but the District may consider expanding this use. If so, the District requires pre-notification and availability of filters/blocks on all accounts.

- a. Is online ACH service available for individual transactions as well as by transmission for batched files?
- b. Is there dual control on individual ACH transactions?
- c. What is the policy and process for handling of ACH returned items?
- d. Can ACH items and files be future dated?
- e. What specific filters and blocks are available?
- f. Is the District account debited on initiation of the ACH record or on settlement day?
- g. What policy and process is used for file and item reversals and deletions?
- h. Are ACH addenda shown in their entirety on-line and on detail reporting, reports and statements? Does access to this information require access to additional, specific EDI modules?
- i. Will the District incur a transmission and/or file processing fees for on-line individual ACH transactions?

5.8 SAFEKEEPING SERVICES

All District investments will be made by the District investment officers or its investment adviser and instructions for safekeeping will be given to the bank by an authorized individual in writing/online. The bank will be required to provide book-entry safekeeping services. All securities must be cleared on a delivery versus payment (DVP) basis and ownership clearly and timely documented. All interest payments and maturities shall be given immediate collected credit.

The District anticipates an average of between 5-10 book-entry securities in FRB or DTC safekeeping at any time. Ownership of the securities must be perfected and evidenced by an original safekeeping receipt/record sent directly to the District within one business day.

All trades will be third-party. The bank's brokerage services will not be used for investment purchases in order to perfect DVP. Certificates of deposit may be purchased from the bank but these will be on a competitive basis.

- a. Is trade initiation available or required online? Is monitoring of positions available online?
- b. Describe the bank safekeeping arrangements proposed. Identify any correspondent bank to be used. If a correspondent is to be used, define the process and confirm same-day crediting/debiting on all transactions. Describe any additional District actions required.
- c. Are safekeeping fees hard charges or applied through the account analysis?
- d. How are safekeeping fees charged (cusip, transaction or par, etc)? Provide the fees on Attachment A-Proposed Fees.
- e. Are notifications sent on all transactions (purchase, sale, calls, and maturities)? When and how?
- f. What time are delivery instructions required? Is there a fee charged for late instructions.

5.10 COLLATERAL REQUIREMENTS

The District requires a bank that is fiscally strong and able to provide the services described on an uninterrupted basis. As public funds the District falls under provisions of the Public Funds Collateral Act (Texas Government Code Chapter 2257) with additional restrictive District requirements. If funds are, for any reason, not swept all un-invested time and demand funds above FDIC insurance coverage must be collateralized to 102% with securities authorized by the District. Authorized collateral will include only the following.

- Obligations of the US Government, its agencies and instrumentalities, including mortgage backed securities and CMOs which pass the bank test.
- Obligations of any US state, their agencies and instrumentalities, and municipalities rated A or better by two nationally recognized rating agencies.

All securities pledged to the District will be held by a District approved independent third party institution outside the bank's holding company. The bank will be responsible for the pricing of securities and monitoring and maintaining margin levels daily. Preferably the custodian would provide market values on the securities. A monthly collateral report with market values is required and preference will be given if the custodian provides the report directly.

The collateral agreement which outlines collateral requirements shall be executed under the terms of FIRREA by the bank and the District with approval by resolution of the bank's Board or Loan Committee. (If the Federal Reserve is used as custodian Circular 7 Pledgee Agreement will be executed and appended to the agreement.)

The following conditions must be met.

- Collateral must be held in an independent third party bank approved by the District outside the bank's holding company.

- Initial collateral will be provided at a minimum two (2) days before funds are initially transferred into the Depository.
- All deposits will be collateralized, above FDIC insurance, at 102% of principal plus accrued interest at all times.
- The bank is responsible for the daily monitoring and maintaining of collateral margin requirements.
- Pledged collateral will be evidenced by original safekeeping receipts/report sent directly to the District by the custodian and the Custodian will prepare a report of collateral pledged including description, par, and cusip monthly directly to the District (market value is not required). The monthly report will not come from the Bank.
- Substitution rights will be granted if the bank/custodian obtains the District's prior approval and if substituting securities are received before previously pledged securities are removed from safekeeping. Collateral value will be maintained during substitution at 102% or above.
- The bank shall execute the master depository/collateral agreement with the District in full compliance with FIRREA. Approval of the agreement will be made by resolution of the bank's Board or Bank Loan Committee.
 - a. Confirm agreement to the collateral conditions stated above. Note any specifically proposed exceptions to the provisions.
 - b. Will there be any collateral charges? If so, on what basis?
 - c. Does the bank intend to set a maximum balance for collateralization? If so, what is that limit?
 - d. What institution will serve as custodian?
 - e. Can collateral be monitored online? How often is it marked-to-market?

5.11 ACCOUNT ANALYSIS

A monthly account analysis report shall be provided for each account and on a consolidated account basis.

- a. Provide a sample account analysis as a pro forma on the relationship.
- b. State when the analysis will be available each month.
- c. Is the analysis provided online? When? How long is the analysis maintained on-line?
- d. If a compensating balance is used a minimum six-month carry-over provision is required. Confirm agreement with this condition.

5.12 MONTHLY STATEMENTS

The bank shall provide monthly statements on individual accounts. All accounts are on a monthly cycle using the calendar month as cut-off. Timeliness of reporting is critical.

- a. Provide a sample statement.
- b. When and how are statements available?
- c. When is the statement available online?
- d. How long are statements maintained online?

5.13 ACCOUNT EXECUTIVE

To ensure smooth contract implementation and continuation, a specific account executive and back-up must be assigned to the District account to coordinate services and expedite the solution of any problem. The account executive should meet with District staff semi-annually at a minimum to review banking matters.

- a. What service and level of support is provided by the local representative(s)?
- b. Provide the name and title of the proposed account executive(s).

- c. How often do representatives plan to visit with the District regarding services?
- d. How are technical or operational problems, questions, or changes to be handled?

5.14 OVERDRAFTS

Every effort will be made by the District to eliminate net aggregate daylight and overnight overdraft situations.

- a. State the bank's policy regarding aggregation of account balances for overdraft purposes.

5.15 STOP PAYMENTS

The District currently averages 1 stop pay and 1 renewal every few months. An automated input process is required.

- a. Describe the online stop pay service.
- b. How long do standard stop pays and renewals remain in effect? What time options are available?
- c. How is a stop pay renewal or cancellation accomplished?
- d. What is the deadline for same day action?
- e. Will the on-line system verify if the check was cleared before accepting the stop pay? How far back does the system search?

ATTACHMENT B

SIGNATURE FORM

REQUEST FOR APPLICATION FOR BANK DEPOSITORY SERVICES

NUECES COUNTY HOSPITAL DISTRICT

The undersigned has carefully examined all instructions and requirements and hereby proposes to furnish the services described herein, in accordance with the Application instructions and requirements.

The Applicant also certifies that (1) Application terms, including prices, will remain in effect for a minimum of one hundred eighty (180) days after the Application due date; (2) representations, certifications and statements are true and accurate as of the date of submittal of this Application; (3) all proposed capabilities can be demonstrated by the Applicant; and (4) the Application services are currently marketed and sold.

Applicant Name _____

Physical Address _____

Mailing Address _____

City _____ State _____ Zip Code _____

Telephone _____ Fax _____ Email _____

I certify that I am a duly authorized representative of the firm listed above, and that information and materials enclosed with this Application accurately represent the capabilities of the Depository to provide the services indicated in compliance with the requirements of the RFA. Nueces County Hospital District is hereby authorized to request from any individual any pertinent information deemed necessary to verify information regarding capacity of the firm, for purposes of determining responsiveness of the Application, or responsibility of the firm as a prospective contractor.

Signature _____
(Must be signed in full in ink by an officer of your firm)

Name _____
(Please type or print)

Title _____
(Please type or print)

Date _____

ATTACHMENT C

CLIENT REFERENCE FORM

For each client reference, please provide the following information:

Client Name:

Client Contact Name:

Contact Name's Title/Position:

Client Address:

Client Telephone Number(s): Email:

Date Contract Began:

Client Name:

Client Contact Name:

Contact Name's Title/Position:

Client Address:

Client Telephone Number(s): Email:

Date Contract Began:

Client Name:

Client Contact Name:

Contact Name's Title/Position:

Client Address:

Client Telephone Number(s): Email:

Date Contract Began:

CONFIDENTIAL – ATTORNEY/CLIENT COMMUNICATION

June 1, 2023

Mr. Jonny F. Hipp
Administrator/Chief Executive Officer
Nueces County Hospital
District
555 N. Carancahua, Ste. 950
Corpus Christi, Texas 78401

Re: Letter Agreement to Provide General Counsel Services for the Nueces County Hospital
District

Dear Mr. Hipp:

Thank you for selecting John B. Martinez, and Martinez Reilly, PLLC (the “Firm”) to assist and represent the Nueces County Hospital District (“NCHD”) as its General Counsel. I look forward to working with you and expect to render the services you require in the manner that will be of the greatest assistance to you. This Letter Agreement confirms and explains our representation.

Engagement/Scope of Work: The Firm has been engaged to assist and advise the NCHD in connection with its operations, including, but not limited to providing legal advice, drafting/reviewing legal documents, conducting negotiations, conducting legal research, representation in certain proceedings, and monitoring for statutory and regulatory compliance and ethical conduct. In addition, the engagement includes representation of the NCHD’s interests as directed from time-to-time by the NCHD’s Board of Managers designee and/or the NCHD’s Administrator/Chief Executive Officer. The Scope of Work includes attending regular and special Board and Board Committee meetings and, meetings and conferences with the NCHD executive management staff as necessary to meet the needs of the NCHD; all meetings shall be in-person or as otherwise directed. The Scope of work does not include representation in any matter that is in litigation or otherwise a contested case. Any representation in such matters will be negotiated separately between the Firm and the NCHD if requested by the NCHD. The Scope of Work may be adjusted periodically depending on the needs of the NCHD and by written agreement executed by the NCHD and the Firm.

Our client in this matter is the NCHD including its Board of Managers and executive management staff in their official capacities. The Firm is not being retained to represent any NCHD Board member or executive management employee in their non-official capacities

CONFIDENTIAL – ATTORNEY/CLIENT COMMUNICATION

Mr. Hipp

DATE: June 1, 2023

Page 2

Points of Contact: To ensure coordination and proper reporting, I have been instructed to communicate with the NCHD's Administrator/Chief Executive Officer.

Our Retention of Records: I will maintain files related to this engagement that I, in my sole professional judgment, determine are necessary for the conduct of the representation. After the engagement ends, corresponding with the date of our last bill for services in this matter, we will maintain or destroy these files in accordance with our then-existing records retention policy.

Billing: I, John Martinez, will be the principal attorney. The NCHD will pay a monthly non-refundable retainer of \$5,000.00 (five thousand dollars) due on the first of the month. The retainer will cover any and all work required by the NCHD during the month.

The Firm will execute and submit all necessary accounting and/or legal forms (i.e., Department of the Treasury, Internal Revenue Service Form W-9 Request for Taxpayer Identification Number and Certification, etc.) as statutorily required or requested by the NCHD, prior to remittance of any payments by the NCHD for work.

Martinez Reilly, PLLC provides detailed statements for professional services performed, in-house services provided by the Firm, and out-of-pocket expenses, such as court costs, deposition costs, and travel incurred during the course of representation. We send statements for the monthly non-refundable retainer, legal services rendered, and for expenses on a monthly basis. To facilitate delivery and reduce paperwork, the Firm may transmit invoices via email. Unless instructed otherwise, invoices will be sent directly to the NCHD's Administrator/Chief Executive Officer at his email address. Unless other arrangements are made, payment for our fees and expenses will be due fifteen (15) days after your receipt of the statement.

Expenses: All reasonable Firm expenses relating to this engagement will be reimbursed to the Firm by the NCHD. The Firm will not incur any expenses without prior authorization by the NCHD. Prior authorization for expenses shall be obtained through email or text communication from the NCHD's Administrator/Chief Executive Officer.

Term and Renewal: The term of this Letter Agreement is June 1, 2023 – May 31, 2024. This Letter Agreement may be renewed for additional terms upon written agreement of the parties.

Termination: This Letter Agreement may be terminated upon thirty (30) days written notice by either party. NCHD shall send notice to the Firm's office via email at john@mrtrial.com and the Firm shall send notice to the NCHD's Administrator/Chief Executive Officer at jonny.hipp@nchdcc.org.

CONFIDENTIAL – ATTORNEY/CLIENT COMMUNICATION

Mr. Hipp

DATE: June 1, 2023

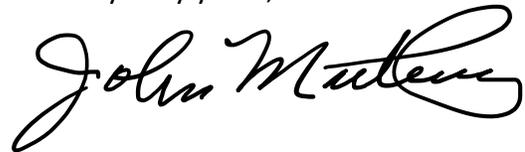
Page 3

Independent Relationship: Nothing herein shall be construed as creating a relationship of employer and employee between the Parties. The Firm shall be deemed at all times to be an independent contractor. The NCHD shall not be subject to any obligations or liabilities of the Contractor incurred in the performance of this Letter Agreement. The Firm expressly agrees to indemnify and hold harmless the NCHD, its agents, officer, and employees, for any and all liabilities and obligations incurred due to any breach of contract or negligent acts or omissions or other defalcations on the part of the Firm.

This document constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties.

If you have any questions about our fees or work, now or in the future, I hope that you will call, write to me, or see me in person to discuss the details of the particular bill or any other matter which concerns you.

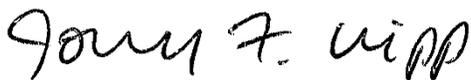
Very truly yours,



John B. Martinez

Nueces County Hospital District

Accepted:



Jonny F. Hipp
Administrator/Chief Executive Officer
Nueces County Hospital District

Date: 06/01/2023

LEGAL SERVICES CONTRACT

BETWEEN

NUECES COUNTY HOSPITAL DISTRICT

AND

CUSIMANO LAW FIRM, PLC. and GAFFNEY & GAFFNEY

THIS AGREEMENT is made and entered into on the date stated herein, by and between **NUECES COUNTY HOSPITAL DISTRICT**, a hospital district established in accordance with and pursuant to Tex. Const. art. IX, § 9 for Nueces County, State of Texas, acting by and through Jonny F. Hipp, ScD, FACHE, the Administrator/ Chief Executive Officer, duly authorized to act on its behalf (for the purposes of this Agreement hereinafter referred to as "NCHD") and **CUSIMANO LAW FIRM, PLC and GAFFNEY & GAFFNEY**, 3015 19th Street, Metairie, LA 70002 (for the purposes of this Agreement hereinafter collectively referred to as "COUNSEL").

RECITALS

WHEREAS NCHD desires to engage and retain COUNSEL for and on behalf of NCHD for the purposes set forth in Schedule A and matters related thereto; and

WHEREAS COUNSEL agrees to provide professional legal advice, legal representation, and other legal services to NCHD, for the purposes set forth in Schedule A, in return for compensation therefor; and

WHEREAS it is the desire of NCHD and COUNSEL to memorialize the provisions, terms, and conditions of their agreement and by entering into this written Agreement (hereinafter referred to as the "AGREEMENT").

NOW, THEREFORE, for and in consideration of the mutual promises and reciprocal covenants and agreements hereinafter contained, NCHD and COUNSEL do hereby contract and agree, each with the other, as follows, to wit:

ARTICLE I

1.01 NCHD hereby engages COUNSEL as special legal counsel for and on behalf of NCHD to render legal advice, representation, and services to and/or on behalf of NCHD, its officers and employees in their official capacities, with respect to the matters described in Schedule A and COUNSEL hereby accepts such engagement, effective as provided in Article V, Section 5.01 of this Agreement. It is understood and agreed by NCHD and COUNSEL, that COUNSEL is entering into this agreement in his capacity of special legal counsel as an independent COUNSEL, and that nothing contained in this Agreement is intended to nor shall it be construed as creating any other relationship between NCHD and COUNSEL. NCHD acknowledges that COUNSEL represents other clients, public and private.

1.02 NCHD and COUNSEL acknowledge and agree that NCHD shall not:

- (a) withhold federal or state income taxes on behalf of COUNSEL;
- (b) withhold federal social security tax (FICA) on behalf of COUNSEL;
- (c) pay workman's compensation insurance premiums for COUNSEL; and/or
- (d) pay federal or state unemployment taxes on behalf of COUNSEL.

1.03 COUNSEL agrees to be responsible for and to pay all applicable federal income taxes, federal social security tax (or self-employment tax in lieu thereof) and any other applicable federal or state unemployment taxes and agrees to indemnify and hold NCHD harmless from all federal and/or state income tax liability including, but not limited to, taxes, interest and penalties resulting from the treatment by NCHD of COUNSEL as a special legal counsel. COUNSEL further agrees to reimburse NCHD for any and all costs it may incur including, but not limited to, accounting fees and legal fees, should NCHD be required to defend itself against any aforesaid tax liability.

1.04 Insurance: COUNSEL shall maintain insurance coverage in conformity with the policies as required by NCHD.

ARTICLE II

PERFORMANCE AND DUTIES

2.01 During the term of this Agreement, upon specific written authorization, COUNSEL shall render and provide legal advice and legal services to NCHD, as set forth in Schedule A. NCHD understands and agrees and acknowledges that COUNSEL, as aforesaid, shall have the right to render legal services and advice to or on behalf of others during the term of this Agreement when not in conflict with or adverse to the interests of NCHD.

2.02 COUNSEL agrees to observe and comply with those rules, regulations, and policies as may be adopted, from time to time, by NCHD as same may govern the provision of special legal services by COUNSEL. COUNSEL further agrees to adhere to the ethical standards of the legal profession and all federal and state laws and ordinances of NCHD regarding the practice of law, if any.

2.03 The scope of legal services COUNSEL shall include the legal representation of the City of NCHD arising out of and/or related to the matters described in Schedule A.

ARTICLE III

COMPENSATION

3.01 NCHD shall compensate COUNSEL, and the associates and paralegals of COUNSEL, for the legal services provided by it at rates per hour (measured in not less than one tenth-hour increments) as shown in Schedule B attached hereto and made part hereof as if copied in full herein.

3.02 Expenses: There shall be no charge by COUNSEL to NCHD for administrative and secretarial services. However, NCHD shall reimburse COUNSEL for long distance telephone charges, faxes, copying costs, court costs, Westlaw (or other similar service) and litigation costs/expenses, e.g., expert fees, witness fees, and travel and accommodations charges away from the metropolitan New Orleans/Jefferson Parish area, if any, related to and/or in connection with COUNSEL'S legal services to NCHD in the matters described in Schedule A.

3.03 Billing: COUNSEL agrees to submit, and NCHD agrees to pay to COUNSEL'S invoices detailing fees, charges and expenses incurred during each month for the legal advice, representation and/or services rendered by COUNSEL to NCHD pursuant to the provisions of this Agreement and Schedule A. COUNSEL agrees to periodically invoice NCHD for its services. Invoices may be sent by e-mail to jonny.hipp@nchdcc.org.

ARTICLE IV

BENEFITS

4.01 During the term of this agreement, NCHD shall not, nor shall it be required to furnish COUNSEL any employee benefits, nor shall COUNSEL, its associates, et al., be considered as and/or construed to be employees of NCHD.

ARTICLE V

TERM AND TERMINATION OF THIS AGREEMENT

5.01 The term of this Agreement shall be one (1) year beginning with date of the execution of this Agreement by NCHD and COUNSEL, unless sooner terminated as herein provided. The effective date of the commencement of the term of this Agreement shall be the date when either Party last executes this Agreement.

5.02 Counsel shall maintain insurance coverage in conformity with the insurance requirements or other insurance policies as required by NCHD.

5.03 Termination: NCHD may terminate this Agreement for cause based upon the failure of COUNSEL to comply with the terms and/or conditions of the Agreement, provided that NCHD shall give COUNSEL written notice specifying the COUNSEL'S failure. If within thirty (30) days after receipt of such notice, the COUNSEL shall not have corrected such failure, or in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct such failure and thereafter proceeded diligently to complete such correction, then NCHD may, at its option, place COUNSEL in default and the Agreement shall terminate on the date specified in such notice. COUNSEL may exercise any rights available to it under Texas law to terminate for cause upon failure of NCHD to comply with the terms and conditions of this Agreement, provided reasonable opportunity for NCHD to cure the defect has been given.

NCHD may terminate the Agreement at any time by giving thirty (30) days written notice to COUNSEL of such termination or negotiating with COUNSEL an effective date. In the event of termination of this Agreement, because of any of the above, COUNSEL shall be paid for work performed in a satisfactory manner prior to COUNSEL'S receipt of written notice of termination.

ARTICLE VI

NOTICES

6.01 Notice: Any communication to be given pursuant to this Agreement by NCHD to COUNSEL or COUNSEL to NCHD shall be deemed to be given if set forth in writing and personally delivered or sent by mail, registered or certified, postage prepaid, with return receipt requested, addressed follows:

If to COUNSEL:

Charles V. Cusimano, III and/or the
Cusimano Law Firm, PLC.
3015 19th Street
Metairie, LA 70002
and
Michael G. Gaffney and/or
GAFFNEY & GAFFNEY
3015 19th Street
Metairie, Louisiana 70002

If to NCHD:

Jonny F. Hipp, ScD, FACHE
Nueces County Hospital District
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

NCHD or COUNSEL may substitute a new address for that given above by notifying the other Party as herein provided.

For the purposes of this Agreement (a) written notices delivered personally shall be deemed to have been communicated as of the date of actual receipt thereof and (b) mailed notices delivered by a U.S. Postman or Postwoman shall be deemed to have been communicated five (5) days after its deposit in the U.S. mail, postage prepaid, unless a failure of delivery thereof is shown.

6.02 Non-assignment: Except as may be otherwise specifically provided herein, this Agreement may not be assigned or transferred to any person, firm, corporation, or other legal entity and then only with the express written consent and approval of both NCHD and COUNSEL.

ARTICLE VII

RECORD RETENTION

7.01 Ownership of Records: When applicable, all records, reports, documents, or other material related to this Agreement and/or obtained or prepared by the COUNSEL in connection with the performance of the services contracted for shall become the property of NCHD, and shall, upon request, be returned by the COUNSEL to NCHD, at the COUNSEL's expense, at the termination or the expiration of this Agreement.

7.02 Access to Records: The following access to records requirements apply to this contract:

- (1) COUNSEL agrees to provide NCHD, or any of their authorized representatives access to any books, documents, papers, and records of the COUNSEL which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.
- (2) COUNSEL agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- (3) In compliance with the Disaster Recovery Act of 2018, NCHD and COUNSEL acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

ARTICLE VIII

FEMA PROVISIONS

In instances where COUNSEL violates or breaches the contract terms, COUNSEL shall be subject to all administrative, contractual, or legal remedies as may be appropriate to sanction and penalize COUNSEL for such violation or breaches of this contract.

The parties agree that NCHD reserves all rights and privileges under applicable laws and regulations with respect to this contract in the event of a breach of contract, including but not limited to the right to institute legal proceedings in a court of competent jurisdiction seeking monetary damages, court costs and litigation expenses, as applicable.

COUNSEL shall comply with Executive Order 11246 of September 24, 1965, entitled, "Equal Employment Opportunity" (30 Fed Reg. 12319, 12935, 3 C.F.R. Part, 1964-1965 Comp., p 339), as amended by Executive Order 11375 of October 13, 1967, Amending Executive Order 11246 Relating to Equal Employment Opportunity, and implementing Department of Labor Regulations (41 CFR, Chapter 60) (Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor). All as Per 2 C.F.R. Part 200, Appendix II, ¶ C.

8.01 Compliance with Equal Employment Opportunity: During the performance of this contract, COUNSEL agrees as follows:

- (1) COUNSEL will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. COUNSEL will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. COUNSEL agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

- (2) COUNSEL will, in all solicitations or advertisements for employees placed by or on behalf of COUNSEL, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- (3) COUNSEL will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the COUNSEL's legal duty to furnish information.
- (4) COUNSEL will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of COUNSEL's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (5) COUNSEL will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (6) COUNSEL will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (7) In the event of COUNSEL's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and COUNSEL may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (8) COUNSEL will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. COUNSEL will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a COUNSEL becomes involved in, or is threatened with, litigation with a subcontract or vendor

as a result of such direction by the administering agency, COUNSEL may request the United States to enter into such litigation to protect the interests of the United States.

COUNSEL further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if COUNSEL so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

COUNSEL agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of COUNSEL and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

COUNSEL further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a COUNSEL debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon COUNSEL and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, COUNSEL agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to COUNSEL under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

8.02 Compliance with the Copeland "Anti-Kickback" Act.

a. Counsel. COUNSEL shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.

b. Subcontracts. COUNSEL or subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. COUNSEL shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

c. Breach. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a COUNSEL and subcontractor as provided in 29 C.F.R. § 5.5.

8.03 Compliance with the Contract Work Hours and Safety Standards Act.

- (1) Overtime requirements. No COUNSEL contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- (2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section COUNSEL and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such COUNSEL and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each

individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

- (3) Withholding for unpaid wages and liquidated damages. NCHD shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the COUNSEL or subcontractor under any such contract or any other Federal contract with the same prime COUNSEL, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime COUNSEL, such sums as may be determined to be necessary to satisfy any liabilities of such COUNSEL or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.
- (4) Subcontracts. COUNSEL or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime COUNSEL shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

8.04 Clean Air Act

- (1) The COUNSEL agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
- (2) The COUNSEL agrees to report each violation to the NCHD and understands and agrees that the NCHD will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- (3) COUNSEL agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

8.05 Federal Water Pollution Control Act

- (1) The COUNSEL agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
- (2) The COUNSEL agrees to report each violation to the NCHD and understands and agrees that the NCHD will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- (3) The COUNSEL agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA

8.06 Suspension and Debarment

- (1) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, COUNSEL is required to verify that none of COUNSEL's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

- (2) COUNSEL must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower-tier covered transaction it enters into.
- (3) This certification is a material representation of fact relied upon by NCHD. If it is later determined that COUNSEL did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to NCHD, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- (4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

8.05 Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

COUNSEL who applies or bids for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

8.07 Required Certification. If applicable, COUNSELS must sign and submit to the non-federal entity the following certification.

APPENDIX A, 44 C.F.R. PART 18 –
CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification

shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

COUNSEL certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the COUNSEL understands and agrees that the provisions of 31 U.S.C. Chap.38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Signature of COUNSEL's Authorized Official
Name and Title of COUNSEL's Authorized Official
Date

8.08 Procurement of Recovered Materials:

- (1) In the performance of this contract, the COUNSEL shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:
 1. Competitively within a timeframe providing for compliance with the contract performance schedule;
 2. Meeting contract performance requirements; or
 3. At a reasonable price.
- (2) Information about this requirement, along with the list of EPA designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensiveprocurement-guideline-cpg-program>.
- (3) The COUNSEL also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act."

8.09 Changes:

The cost of the change, modification, change order, or constructive change must be allowable, allocable, within the scope of its grant or cooperative agreement, and reasonable for the completion of project scope. Changes can be made by either party to alter the method, price, or schedule of the work without breaching the contract. These changes must be made in compliance with state and local law.

8.10 DHS SEAL, LOGO, and Flags: The COUNSEL shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

8.11 Compliance with Federal law, Regulations, and Executive Orders: This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The COUNSEL will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

8.12 No Obligation by Federal Government: The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, COUNSEL, or any other party pertaining to any matter resulting from the contract.

8.13 Program Fraud and False or Fraudulent Statements or Related Acts: COUNSEL acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the COUNSEL's actions pertaining to this contract COUNSEL shall comply with all notices of awarding agency requirements and regulations pertaining to reporting.

COUNSEL shall comply with all awarding agency requirements and regulations pertaining to copyrights and rights in data.

COUNSEL shall retain all required records for a period of at least three years after the NCHD has made final payments and all

other pending matters are closed, whichever is later.

COUNSEL shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (Public Law 93-163, 89 STAT 871).

IX

GOVERNING LAWS

9.01 Entire Agreement: This Agreement, together with Schedule A which is made a part hereof as if copied in full herein, contains all the oral and written agreements and all the representations and arrangements between NCHD and COUNSEL and this Agreement shall be modified only by a subsequent written Agreement executed by NCHD and COUNSEL.

9.02 Governing Laws: This Agreement including, but not limited to, the performance of the duties, obligations, and other provisions set forth herein shall be governed, interpreted, construed, and regulated by the laws of the State of Texas with venue in a court of competent jurisdiction in Nueces County; and by entering this Agreement, COUNSEL expressly waives any objections to jurisdiction and venue, regardless of the COUNSEL's residence or domicile. In the event either NCHD or the COUNSEL commences a legal proceeding to enforce or interpret any of the terms of this Agreement or to terminate this Agreement, the prevailing party in any such suit shall receive from the other a reasonable sum as attorney's fees and court costs as may be fixed by the court.

THUS, DONE AND SIGNED, in duplicate originals on the date, month and year shown below.

NUECES COUNTY HOSPITAL DISTRICT

Jonny F. Hipp

By: _____
Jonny F. Hipp
Administrator/Chief Executive Officer
Date: June 2, 2023

CUSIMANO LAW FIRM

By: *Charles V. Cusimano III*
Charles V. Cusimano, III

Date: 6/5, 2023

GAFFNEY & GAFFNEY

By: *Michael G. Gaffney*
Michael G. Gaffney

Date: 6/5, 2023

SCHEDULE A

To provide professional legal advice, representation, and other services to NCHD including, but not limited to: attending meetings, interviewing witnesses, review of data, in order to perform a complete investigation and report necessary, to file an arbitration or appeal and to prosecute said arbitration for NCHD with regard to FEMA's Decision on the First Appeal and matters related thereto.

SCHEDULE B

\$300.00 PER HOUR FOR ATTORNEYS

\$125.00 PER HOUR FOR NON-ATTORNEY LEGAL WORK
(generally limited to paralegals, legal secretaries and legal assistants)