

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS  
Board of Managers - Special Meeting  
Wednesday, August 16, 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. 6

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. WORKSHOP SESSION** - Workshop Session is an open meeting for the purposes of information gathering and discussion between the Board of Managers and staff on the Workshop's listed agenda item(s) without taking action on the listed item(s) during the Workshop. Public comment will not be accepted during the Workshop Session.

A. Fiscal Year 2024 Budget (October 1, 2023 - September 30, 2024) and related matters. 15

B. Proposed Interlocal Cooperation Agreements with Nueces County relating to Hospital District's provision of funding during Fiscal Year 2024 and related matters. 24

6. **REGULAR SESSION** - Following the Workshop Session, the Board of Managers will move into the Regular Session prior to taking any action(s) on items listed on the remainder of the agenda.

A. **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.

B. **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:

1. **Memorial Medical Center Demolition:**

a. 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:

1. Report from CHRISTUS Spohn's Architect;

2. Report from Hospital District's Owner's Representative; and

3. View CHRISTUS Health OxBlue Construction Time-Lapse Camera video feed. (**INFORMATION**) 30

b. Receive notice from CHRISTUS Spohn Health System Corporation of completion or near completion of the demolition of the Memorial Buildings and Infrastructure pursuant to Section 3.5.4 of Amended and Restated Schedule 1 of the Amended and Restated Membership Agreement between the parties. (**INFORMATION**) 31

c. Receive inspection report of Hanson Professional Services, Hospital District's Owner's Representative relating to the completion or near completion of the demolition of the Memorial Buildings and Infrastructure in accordance with the Demolition Plans, pursuant to Section 3.5.4 of Amended and Restated Schedule 1 of the Amended and Restated Membership Agreement between the CHRISTUS Spohn Health System Corporation and the Hospital District. **(INFORMATION)** 33

**2. Escrow Disbursement:**

a. Discuss and consider adoption of findings-of-fact relating to completion or near completion of demolition of the Memorial Buildings and Infrastructure in accordance with the Demolition Plans as described in the Amended and Restated Membership Agreement; discuss and consider: (1) written notice from CHRISTUS Spohn Health System Corporation; and (2) inspection report of Hanson Professional Services, Hospital District's Owner's Representative; and accept the preceding as facts and adopt them as findings-of-fact relating to CHRISTUS Spohn's completion or near completion of the demolition of the Memorial Buildings and Infrastructure in accordance with the Demolition Plans, pursuant to Section 3.5.4 of Amended and Restated Schedule 1 of the Amended and Restated Membership Agreement between the parties. **(ACTION)** 48

b. Discuss and consider escrow disbursement request from CHRISTUS Spohn Health System Corporation relating to achievement of the fifth (5th) milestone relating to the demolition of the Memorial Buildings and Infrastructure; 5th milestone achievements and escrow amount disbursements pursuant to the Escrow Agreement among Nueces County Hospital District, CHRISTUS Spohn Health System Corporation, and TMI Trust Company and Amended and Restated Schedule 1, Section 3.9.7(e) of Amended and Restated Membership Agreement between Nueces County Hospital District and CHRISTUS Spohn Health System Corporation, as amended; and authorize Administrator to execute related documents. **(ACTION)** 53

**7. 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 and Hospital District's property valuations, tax assessments, and related matters.

B. Consult with attorneys on matters relating to Fiscal Year 2024 Budget and related matters.

C. Consult with attorneys on matters relating to Proposed Interlocal Cooperation Agreements with Nueces County during Fiscal Year 2024 and related matters.

D. Consult with attorneys on matters relating to CHRISTUS Spohn Health System Corporation Membership Agreement-related annual Member Revenue Allocation Percentage and related matters.

E. Consult with attorneys on matters relating to completion or near completion of demolition of the Memorial Buildings and Infrastructure.

F. Consult with attorneys on matters relating to escrow disbursement request from CHRISTUS Spohn Health System Corporation pursuant to the Escrow Agreement among Nueces County Hospital District, CHRISTUS Spohn Health System Corporation, and TMI Trust Company and Amended and Restated Membership Agreement between Nueces County Hospital District and CHRISTUS Spohn Health System Corporation, as amended.

G. Consult with attorneys on matters relating to the Hospital District's arbitration request before the United States Civilian Board of Contract Appeals ("CBCA") in the matter CBCA 7792-FEMA, *In the Matter of Nueces County Hospital District* and related matters.

8. **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.

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

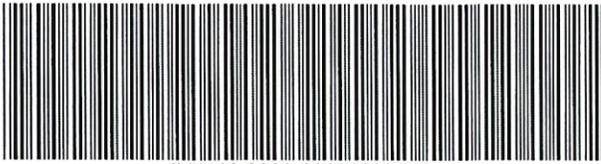
A. Ratify Administrator's action(s) performed as part of his duties directing the affairs of the Hospital District and/or as required by the Board of Managers; duties established

pursuant to Texas Health and Safety Code, §281.026(e):

1. Execution of Arbitration Agreement between the Federal Emergency Management Agency ("FEMA"), Texas Division of Emergency Management, and Nueces County Hospital District relating to Hospital District's arbitration request before the United States Civilian Board of Contract Appeals ("CBCA") in the matter identified as CBCA 7792-FEMA, *In the Matter of Nueces County Hospital District. (ACTION)* 61

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

10. **ADJOURN** (In Memory of William DeWitt Alsup)



\*VG-12-2023-2023000362\*

Nueces County  
Kara Sands  
Nueces County Clerk

Instrument Number: 2023000362

Public Notice

PUBLIC NOTICES

Recorded On: August 11, 2023 09:45 AM

Number of Pages: 8

" Examined and Charged as Follows: "

Total Recording: \$0.00



STATE OF TEXAS

Nueces County

I hereby certify that this Instrument was filed in the File Number sequence on the date/time printed hereon, and was duly recorded in the Official Records of Nueces County, Texas

Kara Sands  
Nueces County Clerk  
Nueces County, TX

\*\*\*\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2023000362  
Receipt Number: 20230811000030  
Recorded Date/Time: August 11, 2023 09:45 AM  
User: Brenda R  
Station: CLERK09

Record and Return To:

HOSPITAL DISTRICT



**Kara Sands**

Nueces County Clerk  
901 Leopard St #201  
Corpus Christi, TX 78401

**Main:** (361)888-0580

**Receipt:** 20230811000030

**Date:** 08/11/2023

**Time:** 09:45AM

**By:** Brenda R

**Station:** CLERK09

**Status:** ORIGINAL COPY

---

<u>Seq</u>	<u>Item</u>	<u>Document Description</u>	<u>Number</u>	<u>Number Of</u>	<u>Amount</u>	<u>Serial Number</u>
1	Public Notice	PBN	2023000362	8	\$0.00	
				<b>Order Total</b>	(1)	\$0.00

<u>Seq</u>	<u>Payment Method</u>	<u>Transaction Id</u>	<u>Comment</u>	<u>Total</u>	
1				\$0.00	
				<b>Total Payments</b>	(1) \$0.00
				<b>Change Due</b>	\$0.00

HOSPITAL DISTRICT

---

For more information about the County Clerk's office and to search property records online, please visit <http://www.nuecesco.com/county-services/county-clerk>

RECEIVED

AUG 11 2023

KARA SANDS  
CLERK OF THE COUNTY COURT  
NUECES COUNTY, TEXAS

**NOTICE OF PUBLIC MEETING**  
**NUECES COUNTY HOSPITAL DISTRICT**  
**BOARD OF MANAGERS**

**Board of Managers - Special Meeting**  
**Wednesday, August 16, 2023 at 12:00 PM**

**Location:**  
**Board of Managers Meeting Room, 555 N. Carancahua Street, Room 950-A, Corpus**  
**Christi, Texas 78401**

**MEETING IN-PERSON AND VIA VIDEOCONFERENCE CALL**

The Nueces County Hospital District ("NCHD") Board of Managers or a Committee thereof as specified above will hold a meeting on the date and at the time and location shown above. The agenda item(s) for this meeting are set forth on the accompanying page(s); agenda item(s) are not necessarily considered in the order listed.

On September 1, 2021, Governor Abbott rescinded the suspension of certain Rules of the Texas Open Meetings Act ("Act") which had allowed meetings to be conducted entirely virtually. The specified NCHD Board of Managers meeting will be held both in-person and via videoconference call. Public participation will be available in-person as well as via videoconference call as allowed under the Act. It is the intent that a quorum of the Board of Managers as required for the specified meeting will be physically present at the location posted in this meeting notice. It is also the intent that the Board member presiding over the meeting be physically present for the specified meeting at the location posted in this meeting notice. Any member of the Board of Managers participating by videoconference call shall be visible and audible to the public whenever the member is speaking; Board member participation by audio-only is no longer permitted. Although the meeting will be open to the public during the open portions of the meeting, any member of the public wishing to observe the meeting may do so via videoconference call and as well as participate via videoconference call in public comment, may do so through the videoconference call Zoom meeting link shown on this meeting notice below, as well as shown on NCHD's website.

The Texas Open Meetings Act defines a "videoconference call" as a communication conducted between two or more persons in which one or more of the participants communicate with the other participants through duplex audio and video signals transmitted over a telephone network, a data network, or the Internet. Zoom is an Internet-based communications platform that allows users to connect with duplex audio and video signals. Using Zoom requires an Internet connection and a supported device.

Meeting agendas and supporting materials are available via NCHD's BoardBook meeting management system at: <https://meetings.boardbook.org/Public/Organization/1886>.

**Attend Meeting via Videoconference, Join Zoom Meeting:**

<https://nchdcc-org.zoom.us/j/5746765992?pwd=T2RVWFpZGJYdHYyQmp1VUdZeUc3Zz09>

Meeting ID: 574 676 5992

Passcode: 195957

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS  
Board of Managers - Special Meeting  
Wednesday, August 16, 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. WORKSHOP SESSION** - Workshop Session is an open meeting for the purposes of information gathering and discussion between the Board of Managers and staff on the Workshop's listed agenda item(s) without taking action on the listed item(s) during the Workshop. Public comment will not be accepted during the Workshop Session.

A. Fiscal Year 2024 Budget (October 1, 2023 - September 30, 2024) and related matters.

B. Proposed Interlocal Cooperation Agreements with Nueces County relating to Hospital District's provision of funding during Fiscal Year 2024 and related matters.

6. **REGULAR SESSION** - Following the Workshop Session, the Board of Managers will move into the Regular Session prior to taking any action(s) on items listed on the remainder of the agenda.

A. **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.

B. **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:

1. **Memorial Medical Center Demolition:**

a. 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:

1. Report from CHRISTUS Spohn's Architect;
2. Report from Hospital District's Owner's Representative; and
3. View CHRISTUS Health OxBlue Construction Time-Lapse Camera video feed. (**INFORMATION**)

b. Receive notice from CHRISTUS Spohn Health System Corporation of completion or near completion of the demolition of the Memorial Buildings and Infrastructure pursuant to Section 3.5.4 of Amended and Restated Schedule 1 of the Amended and Restated Membership Agreement between the parties. (**INFORMATION**)

c. Receive inspection report of Hanson Professional Services, Hospital District's Owner's Representative relating to the completion or near completion of the

demolition of the Memorial Buildings and Infrastructure in accordance with the Demolition Plans, pursuant to Section 3.5.4 of Amended and Restated Schedule 1 of the Amended and Restated Membership Agreement between the CHRISTUS Spohn Health System Corporation and the Hospital District. *(INFORMATION)*

2. **Escrow Disbursement:**

a. Discuss and consider adoption of findings-of-fact relating to completion or near completion of demolition of the Memorial Buildings and Infrastructure in accordance with the Demolition Plans as described in the Amended and Restated Membership Agreement; discuss and consider: (1) written notice from CHRISTUS Spohn Health System Corporation; and (2) inspection report of Hanson Professional Services, Hospital District's Owner's Representative; and accept the preceding as facts and adopt them as findings-of-fact relating to CHRISTUS Spohn's completion or near completion of the demolition of the Memorial Buildings and Infrastructure in accordance with the Demolition Plans, pursuant to Section 3.5.4 of Amended and Restated Schedule 1 of the Amended and Restated Membership Agreement between the parties. *(ACTION)*

b. Discuss and consider escrow disbursement request from CHRISTUS Spohn Health System Corporation relating to achievement of the fifth (5th) milestone relating to the demolition of the Memorial Buildings and Infrastructure; 5th milestone achievements and escrow amount disbursements pursuant to the Escrow Agreement among Nueces County Hospital District, CHRISTUS Spohn Health System Corporation, and TMI Trust Company and Amended and Restated Schedule 1, Section 3.9.7(e) of Amended and Restated Membership Agreement between Nueces County Hospital District and CHRISTUS Spohn Health System Corporation, as amended; and authorize Administrator to execute related documents. *(ACTION)*

7. **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 and Hospital District's property valuations, tax assessments, and related matters.

B. Consult with attorneys on matters relating to Fiscal Year 2024 Budget and related matters.

C. Consult with attorneys on matters relating to Proposed Interlocal Cooperation Agreements with Nueces County during Fiscal Year 2024 and related matters.

D. Consult with attorneys on matters relating to CHRISTUS Spohn Health System Corporation Membership Agreement-related annual Member Revenue Allocation Percentage and related matters.

E. Consult with attorneys on matters relating to completion or near completion of demolition of the Memorial Buildings and Infrastructure.

F. Consult with attorneys on matters relating to escrow disbursement request from CHRISTUS Spohn Health System Corporation pursuant to the Escrow Agreement among Nueces County Hospital District, CHRISTUS Spohn Health System Corporation, and TMI Trust Company and Amended and Restated Membership Agreement between Nueces County Hospital District and CHRISTUS Spohn Health System Corporation, as amended.

G. Consult with attorneys on matters relating to the Hospital District's arbitration request before the United States Civilian Board of Contract Appeals ("CBCA") in the matter CBCA 7792-FEMA, *In the Matter of Nueces County Hospital District* and related matters.

8. **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.

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

A. 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):

1. Execution of Arbitration Agreement between the Federal Emergency Management Agency ("FEMA"), Texas Division of Emergency Management, and Nueces County Hospital District relating to Hospital District's arbitration request before the United States Civilian Board of Contract Appeals ("CBCA") in the matter identified as CBCA 7792-FEMA, *In the Matter of Nueces County Hospital*

*District. (ACTION)*

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

10. **ADJOURN** (In Memory of William DeWitt Alsup)

**NUECES COUNTY HOSPITAL DISTRICT  
BUDGET - GENERAL FUND  
FOR THE YEAR ENDING SEPTEMBER 30, 2024**

	Column 1		Column 2		Column 3	Column 4		Column 5
	Fiscal 2024 Budget		Fiscal 2023 Budget		Budget 2024 vs. 2023	Fiscal 2023 Est. Actual		Est. Act vs F2024 Bud
Explanation								
<b>REVENUES</b>								
Property Taxes:								
1 Current	35,694,543	23.51%	36,929,581	56.02%	(1,235,037)	37,134,254	53.33%	(1,439,711)
2 Delinquent	(0)	0.00%	(0)	0.00%	0	331,199	0.48%	(331,199)
3 Penalties & Interest	356,945	0.24%	369,296	0.56%	(12,350)	337,049	0.48%	19,896
4 <b>Total Property Tax Revenue</b>	<b>36,051,489</b>	<b>23.75%</b>	<b>37,298,876</b>	<b>56.58%</b>	<b>(1,247,387)</b>	<b>37,802,502</b>	<b>54.29%</b>	<b>(1,751,013)</b>
5 Spohn Corporate Member Revenue	114,750,000	75.59%	28,000,000	42.47%	86,750,000	28,508,258	40.94%	86,241,742
6 Investment Income	860,796	0.57%	376,092	0.57%	484,704	2,770,840	3.98%	(1,910,044)
7 Other Income	150,000	0.10%	250,000	0.38%	(100,000)	553,734	0.80%	(403,734)
8 <b>Total Other Revenues</b>	<b>115,760,796</b>	<b>76.25%</b>	<b>28,626,092</b>	<b>43.42%</b>	<b>87,134,704</b>	<b>31,832,832</b>	<b>45.71%</b>	<b>83,927,964</b>
9 <b>TOTAL REVENUES</b>	<b>151,812,285</b>	<b>100%</b>	<b>65,924,968</b>	<b>100%</b>	<b>85,887,316</b>	<b>69,635,334</b>	<b>100%</b>	<b>82,176,951</b>
<b>OPERATING EXPENSES</b>								
10 Intergovernment Transfers	118,786,712	81.54%	44,847,968	70.78%	73,938,744	50,961,868	75.03%	67,824,844
11 County Healthcare Services	10,845,778	7.45%	12,207,824	19.27%	(1,362,046)	12,174,898	17.93%	(1,329,120)
12 Salaries	1,726,564	1.19%	1,678,976	2.65%	47,589	1,463,756	2.16%	262,808
13 Benefits	796,350	0.55%	758,385	1.20%	37,965	727,950	1.07%	68,400
14 Legal & Professional Fees	1,169,000	0.80%	1,556,000	2.46%	(387,000)	975,824	1.44%	193,176
15 Purchased Services	624,650	0.43%	617,150	0.97%	7,500	494,409	0.73%	130,241
16 Tax Assessor / Appraisal Collection Fees	760,000	0.52%	757,000	1.19%	3,000	729,145	1.07%	30,855
17 Supplies & Materials	23,000	0.02%	21,500	0.03%	1,500	21,100	0.03%	1,900
18 Rent & Leases	152,000	0.10%	166,500	0.26%	(14,500)	149,909	0.22%	2,091
19 Repairs & Maintenance	10,000	0.01%	10,000	0.02%	0	4,897	0.01%	5,103
20 Telephone & Utilities	58,000	0.04%	48,000	0.08%	10,000	43,272	0.06%	14,728
21 Insurance	33,900	0.02%	30,800	0.05%	3,100	25,060	0.04%	8,840
22 Administrative & General	458,700	0.31%	438,400	0.69%	20,300	103,836	0.15%	354,864
23 Capital Outlay	10,224,000	7.02%	215,400	0.34%	10,008,600	42,937	0.06%	10,181,063
24 Extraordinary	5,000	0.00%	5,000	0.01%	0	536	0.00%	4,464
25 <b>TOTAL EXPENDITURES</b>	<b>145,673,654</b>	<b>100%</b>	<b>63,358,903</b>	<b>100%</b>	<b>82,314,751</b>	<b>67,919,397</b>	<b>100%</b>	<b>77,754,257</b>
26 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES &amp; USES</b>	<b>6,138,631</b>		<b>2,566,065</b>		<b>3,572,565</b>	<b>1,715,937</b>		<b>4,422,694</b>
<b>NON-OPERATING SOURCES (USES)</b>								
27 Operating Transfer In (Tobacco Fund)	650,000		600,000		50,000	711,000		(61,000)
28 Operating Transfer Out (Indigent Care Fund)	0				0	0		0
29 <b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,788,631</b>		<b>3,166,065</b>		<b>3,622,565</b>	<b>2,426,937</b>		<b>4,361,694</b>
30 <b>FUND BALANCE, BEGINNING OF PERIOD</b>	<b>44,342,646</b>		<b>38,470,767</b>			<b>41,915,709</b>		
31 <b>FUND BALANCE, END OF PERIOD</b>	<b>51,131,277</b>		<b>41,636,832</b>			<b>44,342,646</b>		
32 <b>FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)</b>	<b>28,537,234</b>		<b>30,696,875</b>			<b>35,925,191</b>		

**NUECES COUNTY HOSPITAL DISTRICT  
BUDGET - GENERAL FUND  
FOR THE YEAR ENDING SEPTEMBER 30, 2024**

	Column 1		Column 2		Column 3	Column 4		Column 5
	Fiscal 2024 Budget		Fiscal 2023 Budget		Budget 2024 vs. 2023	Fiscal 2023 Est. Actual		Est. Act vs F2024 Bud
Explanation								
<b>REVENUES</b>								
Property Taxes:								
1 Current	37,202,546	24.26%	36,929,581	56.02%	272,965	37,134,254	53.33%	68,292
2 Delinquent	(0)	0.00%	(0)	0.00%	0	331,199	0.48%	(331,199)
3 Penalties & Interest	372,025	0.24%	369,296	0.56%	2,730	337,049	0.48%	34,976
4 <b>Total Property Tax Revenue</b>	<b>37,574,571</b>	<b>24.50%</b>	<b>37,298,876</b>	<b>56.58%</b>	<b>275,695</b>	<b>37,802,502</b>	<b>54.29%</b>	<b>(227,931)</b>
5 Spohn Corporate Member Revenue	114,750,000	74.83%	28,000,000	42.47%	86,750,000	28,508,258	40.94%	86,241,742
6 Investment Income	877,218	0.57%	376,092	0.57%	501,126	2,770,840	3.98%	(1,893,622)
7 Other Income	150,000	0.10%	250,000	0.38%	(100,000)	553,734	0.80%	(403,734)
8 <b>Total Other Revenues</b>	<b>115,777,218</b>	<b>75.50%</b>	<b>28,626,092</b>	<b>43.42%</b>	<b>87,151,126</b>	<b>31,832,832</b>	<b>45.71%</b>	<b>83,944,386</b>
9 <b>TOTAL REVENUES</b>	<b>153,351,789</b>	<b>100%</b>	<b>65,924,968</b>	<b>100%</b>	<b>87,426,821</b>	<b>69,635,334</b>	<b>100%</b>	<b>83,716,455</b>
<b>OPERATING EXPENSES</b>								
10 Intergovernment Transfers	118,786,712	81.54%	44,847,968	70.78%	73,938,744	50,961,868	75.03%	67,824,844
11 County Healthcare Services	10,845,778	7.45%	12,207,824	19.27%	(1,362,046)	12,174,898	17.93%	(1,329,120)
12 Salaries	1,726,564	1.19%	1,678,976	2.65%	47,589	1,463,756	2.16%	262,808
13 Benefits	796,350	0.55%	758,385	1.20%	37,965	727,950	1.07%	68,400
14 Legal & Professional Fees	1,169,000	0.80%	1,556,000	2.46%	(387,000)	975,824	1.44%	193,176
15 Purchased Services	624,650	0.43%	617,150	0.97%	7,500	494,409	0.73%	130,241
16 Tax Assessor / Appraisal Collection Fees	760,000	0.52%	757,000	1.19%	3,000	729,145	1.07%	30,855
17 Supplies & Materials	23,000	0.02%	21,500	0.03%	1,500	21,100	0.03%	1,900
18 Rent & Leases	152,000	0.10%	166,500	0.26%	(14,500)	149,909	0.22%	2,091
19 Repairs & Maintenance	10,000	0.01%	10,000	0.02%	0	4,897	0.01%	5,103
20 Telephone & Utilities	58,000	0.04%	48,000	0.08%	10,000	43,272	0.06%	14,728
21 Insurance	33,900	0.02%	30,800	0.05%	3,100	25,060	0.04%	8,840
22 Administrative & General	458,700	0.31%	438,400	0.69%	20,300	103,836	0.15%	354,864
23 Capital Outlay	10,224,000	7.02%	215,400	0.34%	10,008,600	42,937	0.06%	10,181,063
24 Extraordinary	5,000	0.00%	5,000	0.01%	0	536	0.00%	4,464
25 <b>TOTAL EXPENDITURES</b>	<b>145,673,654</b>	<b>100%</b>	<b>63,358,903</b>	<b>100%</b>	<b>82,314,751</b>	<b>67,919,397</b>	<b>100%</b>	<b>77,754,257</b>
26 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES &amp; USES</b>	<b>7,678,135</b>		<b>2,566,065</b>		<b>5,112,070</b>	<b>1,715,937</b>		<b>5,962,198</b>
<b>NON-OPERATING SOURCES (USES)</b>								
27 Operating Transfer In (Tobacco Fund)	650,000		600,000		50,000	711,000		(61,000)
28 Operating Transfer Out (Indigent Care Fund)	0				0	0		0
29 <b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>8,328,135</b>		<b>3,166,065</b>		<b>5,162,070</b>	<b>2,426,937</b>		<b>5,901,198</b>
30 <b>FUND BALANCE, BEGINNING OF PERIOD</b>	<b>44,342,646</b>		<b>38,470,767</b>			<b>41,915,709</b>		
31 <b>FUND BALANCE, END OF PERIOD</b>	<b>52,670,781</b>		<b>41,636,832</b>			<b>44,342,646</b>		
32 <b>FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)</b>	<b>30,076,738</b>		<b>30,696,875</b>			<b>35,925,191</b>		

NUECES COUNTY HOSPITAL DISTRICT  
CONSOLIDATED BUDGET - FOR THE GENERAL FUND, &  
SPECIAL REVENUE-TOBACCO & INDIGENT CARE FUNDS  
FOR THE YEAR ENDING SEPTEMBER 30, 2024

	Explanation	General Fund	Tobacco Fund	Indigent Care Fund	Total
	<b>REVENUES</b>				
1	Property Taxes	37,574,571	0	0	37,574,571
2	Spohn Corporate Member Revenue	114,750,000	0	0	114,750,000
3	Investment Income	877,218	0	874,800	1,752,017
4	Other Income	150,000	0	0	150,000
5	Tobacco Income	0	650,000	0	650,000
6	<b>TOTAL REVENUES</b>	<b>153,351,789</b>	<b>650,000</b>	<b>874,800</b>	<b>154,876,589</b>
	<b>OPERATING EXPENSES</b>				
7	Intergovernmental Transfers	118,786,712	0	0	118,786,712
8	County Healthcare Services	10,845,778	0	0	10,845,778
9	Salaries	1,726,564	0	0	1,726,564
10	Benefits	796,350	0	0	796,350
11	Legal & Professional Fees	1,169,000	0	0	1,169,000
12	Purchased Services	624,650	0	0	624,650
13	Tax Assessor / Appraisal Collection Fees	760,000	0	0	760,000
14	Supplies & Materials	23,000	0	0	23,000
15	Rent & Leases	152,000	0	0	152,000
16	Repairs & Maintenance	10,000	0	0	10,000
17	Telephone & Utilities	58,000	0	0	58,000
18	Insurance	33,900	0	0	33,900
19	Administrative & General	458,700	0	0	458,700
20	Capital Outlay	10,224,000	0	0	10,224,000
21	Extraordinary/Tax Refund	5,000	0	0	5,000
22	Debt Service	0	0	0	0
23	<b>TOTAL EXPENDITURES</b>	<b>145,673,654</b>	<b>0</b>	<b>0</b>	<b>145,673,654</b>
24	<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES &amp; USES</b>	<b>7,678,135</b>	<b>650,000</b>	<b>874,800</b>	<b>9,202,935</b>
	<b>NON-OPERATING SOURCES (USES)</b>				
25	Operating Transfers In	650,000	0	0	650,000
26	Operating Transfers Out	0	(650,000)	0	(650,000)
27	<b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>8,328,135</b>	<b>0</b>	<b>874,800</b>	<b>9,202,935</b>
28	<b>FUND BALANCE, BEGINING OF PERIOD</b>	<b>44,342,646</b>	<b>0</b>	<b>56,081,123</b>	<b>100,423,769</b>
29	<b>FUND BALANCE, END OF PERIOD</b>	<b>52,670,781</b>	<b>0</b>	<b>56,955,923</b>	<b>109,626,704</b>
30	<b>FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)</b>	<b>30,076,738</b>	<b>0</b>	<b>56,955,923</b>	<b>87,032,661</b>

Nueces County Hospital District  
 County Healthcare Department Expenditures  
 FY2023 - FY2024

EXHIBIT C

Program		Budget 2024	Budget 2023	Difference	Projected 2023	Difference Bud24 v. Proj
<u>Mental Healthcare Services</u>						
1	a MHID (State Match Program)	969,129	969,129	0	969,129	0
	b <u>MHID - Jail Programs</u>					
	CIT/MCOT	1,111,000	2,058,000	(947,000)	2,075,000	(964,000)
	Walk-in-Crisis	550,000	450,000	100,000	400,000	150,000
	Forensic ACT	0	510,000	(510,000)	450,000	(450,000)
		<u>1,661,000</u>	<u>3,018,000</u>	<u>(1,357,000)</u>	<u>2,925,000</u>	<u>(1,264,000)</u>
	c <u>Mental Healthcare Services Department</u>					
	Staff Salaries, Benefits, Expenses	0	273,000	(273,000)	273,000	(273,000)
		<u>0</u>	<u>273,000</u>	<u>(273,000)</u>	<u>273,000</u>	<u>(273,000)</u>
	Subtotal Mental Healthcare Services	<u>2,630,129</u>	<u>4,260,129</u>	<u>(1,630,000)</u>	<u>4,167,129</u>	<u>(1,537,000)</u>
2	<u>Health Department (Operating Expenditures)</u>					
	Health Department/Vector Control - Accrued	2,000,000	2,000,000	0	2,000,000	0
	Robstown Public Health Outreach & Mobile Clinic	313,000	0	313,000	0	313,000
		<u>2,313,000</u>	<u>2,000,000</u>	<u>313,000</u>	<u>2,000,000</u>	<u>313,000</u>
3	<u>Emergency Medical Services</u>	650,000	650,000		650,000	
	City of Robstown					
	Emergency Services District #1					
	Emergency Services District #2					
	Emergency Services District #4					
	Emergency Services District #6					
		<u>650,000</u>	<u>650,000</u>	<u>0</u>	<u>650,000</u>	<u>0</u>
4	<u>Juvenile Detention Center-Health Services</u>	407,000	474,000	(67,000)	474,000	(67,000)
	Various Health-related Services					
5	<u>County Jail Healthcare Services</u>	4,795,649	4,478,695	316,955	4,538,768	256,881
	Armor Correctional Healthcare Services					
6a	Alcohol and Drug Rehabilitation Center (Cenikor)	0	60,000	(60,000)	60,000	(60,000)
6b	Council on Alcohol & Drug Abuse	0	50,000	(50,000)	50,000	(50,000)
7	County Juvenile and Adult Diabetes Program	0	50,000	(50,000)	50,000	(50,000)
8	HALO-Flight Funding	0	15,000	(15,000)	15,000	(15,000)
9	<u>Public Health Grants</u>					
	Coastal Bend Wellness Foundation	0	85,000	(85,000)	85,000	(85,000)
	Amistad Community Health Center	0	85,000	(85,000)	85,000	(85,000)
	Area Health Education Center (AHEC)	50,000	0	50,000	0	50,000
		<u>50,000</u>	<u>170,000</u>	<u>(120,000)</u>	<u>170,000</u>	<u>(120,000)</u>
<b>TOTALS</b>		<b>10,845,778</b>	<b>12,207,824</b>	<b>(1,362,046)</b>	<b>12,174,897</b>	<b>(1,329,119)</b>

**Hospital District Tax Rate Calculations**  
Tax Year 2023

2021 Total Net Taxable Value Per Appraisal Roll	47,094,843,675	See Line 18A
Property Under Protest @ 85%	1,061,917,256	See Line 19A
Tax Freeze (ceiling)	-	See Line 20
Net Taxable Value	48,156,760,931	
TIF (Tax Increment Financing)	-	See Line 18D
Total Taxable Value	48,156,760,931	See Line 21
New Improvements/New Property	(962,382,962)	See Line 23
Adjusted Taxable Value	47,194,377,969	See Line 25
Last Year Levy, After Adjustments	38,682,224	See Line 17
<b>Hospital District No-New-Revenue Tax Rate</b>	<b>0.081963</b>	See Line 26
<b>Hospital District Voter-Approved Tax Rate</b>	<b>0.089272</b>	See Line 49

**Hospital District**  
**2023/2024 Tax Revenue Budget Calculation Using Total Current 2022/2023 Tax Value**  
 No-New-Revenue Tax Rate

2023/2024 Hospital District Tax Rate 0.081963

2023/2024 Taxable value, excluding ceiling property \* 48,156,760,931

Tax levy (HD tax rate X tax value / 100) 39,470,726  
 Frozen tax levy receivable 0

Total HD Levy 39,470,726  
 Collection Rate 95.0%

2023/2024 Hospital District tax revenue budgeted 37,497,190  
 2022/2023 Hospital District tax revenue budgeted -37,730,910

Increase/(Decrease) in Hospital District tax revenue budget -233,720  
 Estimated Uncollected, Due to Lawsuits with Refineries -1,966,431  
 Anticipated Variance, after adjustment for Refineries -2,200,151

**Calculation of 2023 Taxable Value**

Line 21 TNT taxable value (excludes tax ceiling property) 48,156,760,931  
 Add Line 18d TIF captured value 0

2023/2024 Taxable value, excluding ceiling property \* 48,156,760,931

Property value of tax ceiling property Line 20 TNT \*\* 0

Total taxable value - Includes ARB Protest and TIF 48,156,760,931  
 (Agrees with appraisal board)

Estimated amount that for Refineries may Dispute via lawsuit  
 \$2,399,169,215 Assessed Value

Amount estimated based on the amount of undisputed value in 2022

**Hospital District**  
**2023/2024 Tax Revenue Budget Calculation Using Total Current 2022/2023 Tax Value**  
 **Voter-Approved Tax Rate**

2023/2024 Hospital District Tax Rate 0.089272

2023/2024 Taxable value, excluding ceiling property *	48,156,760,931
Tax levy (GF tax rate X tax value / 100)	42,990,504
Frozen tax levy receivable	0
Total HD Levy	42,990,504
Collection Rate	95.0%
2023/2024 Hospital District tax revenue budgeted	40,840,978
2022/2023 Hospital District tax revenue budgeted	-37,730,910
Increase in Hospital District tax revenue budget	3,110,068
Estimated Uncollected, Due to Lawsuits with Refineries	-2,141,786
Anticipated Variance, after adjustment for Refineries	968,282

**Calculation of 2023 Taxable Value**

Line 21 TNT taxable value (excludes tax ceiling property)	48,156,760,931
Add Line 18d TIF captured value	0
2023/2024 Taxable value, excluding ceiling property *	48,156,760,931
Property value of tax ceiling property Line 20 TNT **	0
Total taxable value - Includes ARB Protest and TIF	48,156,760,931
(Agrees with appraisal board)	

Estimated amount that for Refineries may Dispute via lawsuit  
 \$2,399,169,215 Assessed Value

Amount estimated based on the amount of undisputed value in 2022



August 1, 2023

Jonny Hipp  
Administrator and Chief Executive Officer  
Nueces County Hospital District  
555 N. Carancahua St, Suite 950  
Corpus Christi, TX 78401-0835

**Re: 2024 Specified Annual Percentage**

Dear Jonny:

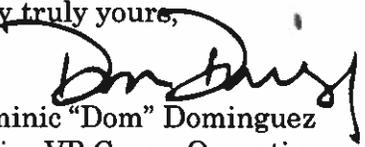
Thank you and your team for a thoughtful and productive dialogue regarding our current operations under the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement (the "Membership Agreement"). The collaboration between CHRISTUS Spohn Health System Corporation ("Spohn"), CHRISTUS Health ("CHRISTUS"), and the Nueces County Hospital District ("District") over the past few weeks served as our annual process under Section 5.03 of the Membership Agreement. I am writing to memorialize the Specified Annual Percentage for the Ensuing Year (October 1, 2023 – September 30, 2024). While Section 5.03 of the Membership Agreement requires that the parties agree to the Specified Annual Percentage by July 1, the parties mutually agreed to extend this deadline.

In preparation for establishing the Specified Annual Percentage for the Ensuing Year, Spohn prepared a hospital budget and projected Spohn's Net Patient Revenue (as defined in Section 5.01 of the Membership Agreement). Preparing these figures assisted Spohn in projecting Spohn's operational needs during the Ensuing Year and the Net Patient Revenue that would be available to share with the District. On July 31, Spohn and the District met to discuss Spohn's proposed budget and projected Net Patient Revenue for the Ensuing Year. The parties also discussed the many factors that are considered each year when negotiating the Specified Annual Percentage, including (but not limited to) Spohn's role in operating programs in the community and the District's role as the Region 4 Anchor. Finally, the parties discussed the specific circumstances expected to affect the parties' respective operations in the Ensuing Year, including (but not limited to) the District's efforts to maintain its tax collections, renewal of the Texas 1115 Demonstration Waiver and directed payment programs, and the Memorial demolition.

Jonny Hipp  
August 1, 2023  
Page 2

Based on these discussions, the parties agreed, subject to submission to the District's Board of Managers, that the Specified Annual Percentage for the Ensuing Year will be seventy-three percent (73%), and the remaining twenty-seven percent (27%) will be transferred to the District in accordance with the provisions of Section 5.02 of the Membership Agreement and in recognition of its membership in Spohn and role in Spohn's continued delivery of high-quality, integrated, and accessible services to patients in Nueces County.

Very truly yours,

  
Dominic "Dom" Dominguez  
Senior VP Group Operations  
CHRISTUS Spohn Health System Corporation

#211491

DRAFT – FOR DISCUSSION ONLY

**INTERLOCAL COOPERATION AGREEMENT BETWEEN  
NUECES COUNTY HOSPITAL DISTRICT AND NUECES COUNTY  
RELATING TO REIMBURSEMENT OF NUECES COUNTY’S  
PUBLIC HEALTH-RELATED EXPENSES**

**THE STATE OF TEXAS       §**

**COUNTY OF NUECES       §**

**THIS INTERLOCAL COOPERATION AGREEMENT** (“Agreement”) is made by and between **NUECES COUNTY HOSPITAL DISTRICT**, (“Hospital District”), acting by and through its duly authorized designee, Administrator/CEO, upon the authority of its governing body, the Nueces County Hospital District Board of Managers and **NUECES COUNTY** (“County”), acting by and through its duly authorized designee, Nueces County Judge upon the authority of its governing body, the Nueces County Commissioners Court (“Commissioners Court”) pursuant to and in accordance with the provisions of Chapter 791, as amended, Texas Government Code. Hospital District and County may sometimes hereafter be referred to collectively as “Parties.”

**WITNESSETH**

**WHEREAS**, on July 31, 1984, the County and the City of Corpus Christi (“City”) entered into a Cooperative Agreement To Operate A Public Health District (“Original Agreement”), which created the City of Corpus Christi-Nueces County Public Health District (“Public Health District”). The Public Health District was created for the purpose of providing local public health programs for the citizens of Corpus Christi and residents throughout Nueces County;

**WHEREAS**, effective March 01, 2022, the County and the City entered into an Amended Cooperative Agreement for City-Operated Corpus Christi-Nueces County Public Health District which supersedes the Original Agreement (“Amended Agreement”). The Amended Agreement reassigned operation of the Public Health District from both parties to sole management by the City over all operations of the Public Health District;

**WHEREAS**, as a cooperative member of the Public Health District and pursuant to the Amended Agreement, the County is responsible for a portion of the Public Health District’s operating expenses relating to the Public Health District’s provision of public health services to residents of Nueces County;

**WHEREAS**, Texas Health and Safety Code (“Health Code”) §281.002 authorizes the Hospital District to furnish medical aid and hospital care to indigent and needy persons residing within the Hospital District’s boundaries and as authorized by §281.094 of the Health Code, the Hospital District may fund public health services, with the approval of Commissioner’s Court;

**WHEREAS**, the County is authorized to provide public health services and has requested related reimbursement funding assistance from the Hospital District for the County’s Public Health District financial obligations and vector control services expenses, and expenses associated with other public health services programs operated by the County;

**DRAFT – FOR DISCUSSION ONLY**

**WHEREAS**, the Hospital District desires to support the County by providing reimbursement funds to the County to be used by the County to support the County’s (i) provision of public health services provided by the Public Health District, (ii) County’s vector control services, and (iii) other public health services programs operated by the County (“County Public Health Expenditures”);

**WHEREAS**, the Hospital District recognizes and acknowledges that its funding made available to the County for (i) public health services provided by the Public Health District, (ii) the County’s vector control services, and (iii) other public health services programs operated by the County will benefit the residents of Nueces County; and

**WHEREAS**, Texas Government Code, §791.028 authorizes the Hospital District and County to enter into this Agreement.

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, to be by them respectively kept and performed as hereinafter set forth, the Hospital District and the County do hereby agree as follows:

**AGREEMENT**

**SECTION 1. PURPOSE.**

For purposes of this Agreement, it is the intent of the Hospital District to support the County by providing funding hereunder for reimbursement, exclusive of capital outlays, of the County’s Public Health District obligation and vector control services expenses, and other public health programs operated by the County for benefit of Nueces County’s residents.

**SECTION 2. TERM.**

The term of this Agreement shall be for a period of one (1) year commencing on October 01, 2023 and ending on September 30, 2024 (“Term”).

**SECTION 3. SCOPE.**

- A. This Agreement is intended to enable the Hospital District to support the County by providing reimbursement funds, exclusive of capital outlays, to the County to be used by the County to support the (i) County’s provision of public health services provided by the Public Health District, (ii) County’s vector control services, and (iii) other public health services programs operated by the County (collectively the “County Public Health Expenditures”).
- B. This Agreement does not and shall not be construed to apply to any funding requests related to the County’s (e.g., County’s Department 1377 or any other County Department applicable or pertaining to the DSRIP Program), participation in the Delivery System Reform Incentive Payment DSRIP Program (“DSRIP Program”) operated by the Texas Health and Human Services Commission’s (“Commission”) Medicaid 1115 Waiver. Under this Agreement, the Hospital District does not and will not provide funding to the County for any items, charges, expenses, or

DRAFT – FOR DISCUSSION ONLY

intergovernmental transfers incurred by the County directly or through the Public Health District, related to or for benefit of the DSRIP Program.

- C. This Agreement does not and shall not be construed to apply to any funding requests related to the County's (e.g., any other County Department applicable or pertaining to the PHP-CCP), participation in the Public Health Provider-Charity Care Program ("PHP-CCP") operated by the Commission as part of the Medicaid 1115 Waiver. Under this Agreement, the Hospital District does not and will not provide funding to the County for any items, charges, expenses, or intergovernmental transfers incurred by the County directly or through the Public Health District, related to or for benefit of the PHP-CCP.

**SECTION 4. OBLIGATIONS OF HOSPITAL DISTRICT AND COUNTY.**

For and in consideration of the recitals, covenants and agreements of the Hospital District and County set forth herein, the Parties agree as follows:

A. HOSPITAL DISTRICT:

1. Under the terms of this Agreement, the Hospital District's maximum funding to the County during the Term shall not exceed **Two Million Dollars (\$2,000,000.00)** ("Maximum Funding Amount"). In the event that Hospital District's funding to the County under this Agreement reaches the Maximum Funding Amount during the Term, the Hospital District's funding obligations hereunder shall end and the Hospital District shall not provide any additional funding to County during the Term for purposes of this Agreement.
2. Upon receipt of copies of proof of payment and expense documentation for the County Public Health Expenditures, the Hospital District will review all said items and if appropriate, approve said items, exclusive of capital outlays, for payment and remit payment to County within 60 days.
3. Hospital District reserves the right to disapprove payment of any proof of payment and expense documentation submitted by the County for the County Public Health Expenditures, which Hospital District in its sole discretion, may deem to be questionable, unjustified, excessive, inappropriate, improper, misapplied, misclassified, or which in the Hospital District's sole judgment do not qualify as valid expenses.
4. Hospital District will provide prompt notice to the County within 15 days of any proof of payment and expense documentation items submitted by the County for the County Public Health Expenditures that are disapproved by the District.

B. COUNTY:

1. The County will strive to provide (i) public health services through its cooperative membership in the Public Health District, (ii) vector control services, or (iii) operate other public health services programs for benefit of Nueces County's residents.

DRAFT – FOR DISCUSSION ONLY

2. When requesting disbursement of Hospital District funding for the County's portion of the Public Health District's operating expenses, exclusive of capital outlays, the County shall submit to the Hospital District copies of canceled checks and associated detailed trial balance supporting payment from the County to the City.
3. When requesting disbursement of Hospital District funding for expenses, exclusive of capital outlays, associated with County vector control services, the County shall submit to the Hospital District an invoice and associated detailed trial balance or an invoice and copies of canceled checks.
4. When requesting disbursement of Hospital District funding for expenses, exclusive of capital outlays, associated with other public health services programs operated by the County, the County shall submit to the Hospital District an invoice and associated detailed trial balance or an invoice and copies of canceled checks.
5. County shall exercise reasonable care before submitting proof of payment and expense documentation relating to Sections 4.B.2 – 4.B.4 herein to the Hospital District to ensure that items submitted have been properly reviewed, screened, classified, authorized, do not contain amounts for capital outlays, and that all amounts reflected are for appropriate and proper public health services, vector control services, or other public health services programs operated by the County.
6. County shall submit proof of payment and expense documentation for each preceding quarter relating to Sections 4.B.2 – 4.B.4 herein to the Hospital District no later than 45 days after the end of each of the Hospital District's fiscal quarters. Proof of payment and expense documents submitted to the Hospital District later than 45 days after the end of any Hospital District fiscal quarter may be considered untimely and may not be processed for payment at the sole discretion of the Hospital District.
7. County shall respond to and provide the Hospital District with all reasonable information within 15 days, which the Hospital District may request regarding the underlying expense details supporting the proof of payment and expense documentation for the County Public Health Expenditures for which the County requested disbursement of Hospital District funding.
8. Nothing in this Agreement shall be construed by the County to require or cause the Hospital District to fund any amount more than the Maximum Funding Amount for the County Public Health Expenditures during the Term of this Agreement.

C. HOSPITAL DISTRICT AND COUNTY:

1. For purposes of this Agreement:
  - a. the term "public health services" shall have the meaning collectively ascribed to the terms (i) "Essential public health services" at §121.002(1),

DRAFT – FOR DISCUSSION ONLY

Health Code and (ii) “public health services” at §121.006(d), Health Code; and

- b. the term “vector control” shall mean any method to limit or eradicate the mammals, birds, insects, or arthropods which transmit disease pathogens.

**SECTION 5. MISCELLANEOUS.**

- A. Payments. Any payment made by either party hereto for any of the services provided pursuant to this Agreement shall be made from current revenues available to the Hospital District and County as required by Chapter 791, Texas Government Code, or any other manner permitted by law, as permitted by and in accordance with §791.028, Texas Government Code, as amended.
- B. Severability. In the event any term, covenant or condition herein contained shall be held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant, or condition herein contained, provided that such invalidity does not materially prejudice either Hospital District or County in their respective rights and obligations contained in the valid terms, covenants, or conditions hereof.
- C. Entire Agreement. This Agreement will constitute the sole agreement of the parties hereto and supersedes any prior understandings or any written or oral agreements between the parties with respect to the subject matter herein. This Agreement may not be modified or amended except by written instrument signed by both Parties hereto.
- D. Written Amendment. This Agreement may be modified or amended only by written instrument duly executed by both parties. The authorized representatives of the parties may execute minor amendments without obtaining prior approval from their respective governing bodies if the minor amendment does not change the term, the maximum amount to be paid herein, nor the responsibilities agreed to by either party under this original Agreement.
- E. Notices. All notices required or permitted must be in writing and given by hand delivery, registered or certified mail, postage prepaid; or overnight delivery. Notice shall be delivered or mailed to the Parties at the following addresses or at such other places as either party shall designate in writing:

HOSPITAL DISTRICT

Nueces County Hospital District  
Attn: Administrator/CEO  
555 N. Carancahua St., Suite 950  
Corpus Christi, Texas 78401

COUNTY

Nueces County  
Attn: Nueces County Judge  
901 Leopard St., Room 303  
Corpus Christi, Texas 78401

- F. Non-Waiver. Failure of any party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.



## CHRISTUS Health OxBlue Construction Time-Lapse Camera

OxBlue Login

URL: <https://app.oxblue.com/login>

USERNAME: [jonny.hipp@nchdcc.org](mailto:jonny.hipp@nchdcc.org)

PASSWORD: NCHD



August 8, 2023

Jonny Hipp  
Administrator  
Nueces County Hospital District  
555 North Carancahua Street, Suite 950  
Corpus Christi, Texas 78401

*jonny.hipp@nchdcc.org*

**Re: Notice of Memorial Demolition Completion**

Dear Mr. Hipp:

Pursuant to Schedule 1, Section 3.5.4 of the CHRISTUS Spohn Health System Corporation Membership Agreement, I am writing to provide written notice regarding the demolition of the CHRISTUS Spohn Hospital Corpus Christi – Memorial Hospital (“Memorial”) buildings and infrastructure.

Spohn believes it has completed or is near completion of the Memorial demolition pursuant to the Demolition Plans and hereby invites the District or its agents or representatives to inspect the demolition site for compliance with Section 3.5.4. Please confirm receipt of this notice and let me know if you need any assistance with scheduling or conducting any inspection.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Dom", written over a faint, larger version of the same signature.

Dominic “Dom” Dominguez  
Senior VP Group Operations  
CHRISTUS Spohn Health System Corporation

Enclosures

cc: Belinda Espinoza  
Adam Robison  
Lance Ramsey  
Jennifer Gurevitz  
Becky Rios

*belinda.espinoza@nchdcc.org*  
*arobison@kslaw.com*  
*ramsey@gl-law.com*  
*jennifer.gurevitz@christushealth.org*  
*becky.rios@christushealth.org*



# AIA® Document G704® – 2017

## Certificate of Substantial Completion

**PROJECT:** *(name and address)*  
Memorial Hospital Demolition  
Corpus Christi, Texas

**CONTRACT INFORMATION:**  
Contract For: Demolition  
Date: 6/24/2022

**CERTIFICATE INFORMATION:**  
Certificate Number: 01  
Date: August 3, 2023

**OWNER:** *(name and address)*  
CHRISTUS Health, Inc.  
919 Hidden Ridge Dr.  
Irving, TX 75038

**ARCHITECT:** *(name and address)*  
CLK Architects & Associates  
615 N. Upper Broadway, Suite 1250  
Corpus Christi, TX 78401

**CONTRACTOR:** *(name and address)*  
Grant Mackay Company, Inc.  
1055 W. 500 South  
West Bountiful, UT 84087

The Work identified below has been reviewed and found, to the Architect's best knowledge, information, and belief, to be substantially complete. Substantial Completion is the stage in the progress of the Work when the Work or designated portion is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use. The date of Substantial Completion of the Project or portion designated below is the date established by this Certificate.

*(Identify the Work, or portion thereof, that is substantially complete.)*

Abatement of asbestos in building, demolition of Memorial Hospital buildings and structures. Clearing of site, compacted fill material placed, grade of site per construction documents, and seeding of site with watering to germinate grass seeds.

DocuSigned by:

CLK Architects &  
Associates

ARCHITECT *(Firm Name)*

SIGNATURE

Jerry Kramer

Jerry C. Kramer, Principal

PRINTED NAME AND TITLE

July 21, 2023

DATE OF SUBSTANTIAL COMPLETION

### WARRANTIES

The date of Substantial Completion of the Project or portion designated above is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below:

*(Identify warranties that do not commence on the date of Substantial Completion, if any, and indicate their date of commencement.)*

### WORK TO BE COMPLETED OR CORRECTED

A list of items to be completed or corrected is attached hereto, or transmitted as agreed upon by the parties, and identified as follows:  
*(Identify the list of Work to be completed or corrected.)*

Continued watering of site to germinate seeds and establish grass.

The failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Unless otherwise agreed to in writing, the date of commencement of warranties for items on the attached list will be the date of issuance of the final Certificate of Payment or the date of final payment, whichever occurs first. The Contractor will complete or correct the Work on the list of items attached hereto within sixty calendar (60) days from the above date of Substantial Completion.

Cost estimate of Work to be completed or corrected: \$N/A

The responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work, insurance, and other items identified below shall be as follows:

*(Note: Owner's and Contractor's legal and insurance counsel should review insurance requirements and coverage.)*

The Owner and Contractor hereby accept the responsibilities assigned to them in this Certificate of Substantial Completion:

Grant Mackay Company,  
Inc.

CONTRACTOR *(Firm Name)*

SIGNATURE

Bryce Christensen

Bryce Christensen, Project  
Manager

PRINTED NAME AND TITLE

8/3/2023

DATE

CHRISTUS Health, Inc.  
OWNER *(Firm Name)*

SIGNATURE

Kyle Rutherford

Kyle Rutherford, V.P.,  
Construction

PRINTED NAME AND TITLE

8/4/2023

DATE

Date: August 11, 2023

To: Jonny F. Hipp, Administrator

From: John Michael, P.E.

Subject: Memorial Hospital Demolition Inspection & Project Closeout Report

On August 8,2023 Jerry Kramer, AIA and I walked the Memorial Hospital demolition site and concurred that the project was substantially complete. Jerry Kramer AIA issued the certificate of Substantial Completion to Christus Spohn Health on August 7,2023. Grant MacKay Co has a 12-month warranty period to remedy any outstanding punch list items that may need attention. Vegetation establishment and continued policing of misc. minor debris will be on going for the next few months. The landscaping sub-contractor has applied to the City of Corpus Christi Water Department for an exemption to the current drought restriction requirements and will continue to manually water until adequate natural rainfall occurs. The City did issue the drought exemption permit with conditions.

Attached to this Memorandum is the request to Grant Mackay for preparation of close-out documents (Jerry Kramer, AIA dated August 11,2023) recent inspection photos and the underground pier/foundation survey.

It is my recommendation to the NCHD that the Demolition Project meets the requirements of the Project Manual/Specifications dated January 7,2022.

## John Michael

---

**From:** Jerry Kramer <jkramer@clkarch.com>  
**Sent:** Friday, August 11, 2023 9:15 AM  
**To:** demoguy@grantmackayco.com; Nephi Mackay  
**Cc:** todd.mandley@christushealth.org; John Michael  
**Subject:** Memorial Demolition - Close Out Documents

**EXTERNAL SENDER STOP.THINK.QUESTION** If this is unexpected, verify before you click links or open attachments.

Good morning Bryce,

With Certificate of Substantial Completion issued on the demolition project, we need Grant Mackay team to work on closeout document package. Project specifications in Division I includes references to what is needed, including the following items:

1. Project Record Documents
2. Demolition Photographic Documentation
3. Survey of concrete elements left below grade(Get copy from John at Hanson)
4. All regulatory documents relating to project including TCEQ & Hazardous waste disposal
5. Testing Reports on fill compaction
6. Variance/Exemption document for Watering
7. Certificate of Substantial Completion
8. Warranty Letter from Grant Mackay
9. Other information relating to demolition project that may be helpful to future use of property

This information can be transmitted in electronic files, sent in a package to Todd, John, & myself. If possible, we would like this package in two weeks.

Let me know if you have any questions.

Thank you!

*Jerry C. Kramer, AIA*

**Principal**

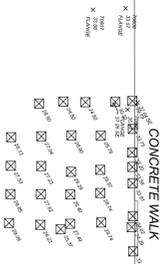
615 N. Upper Broadway, Suite 1250

Corpus Christi, TX 78401-0750

T: (361) 884-3295 Ext. 101 F: (361) 884-3298

[jkramer@clkarch.com](mailto:jkramer@clkarch.com)

BUFORD AVENUE  
50' RIGHT-OF-WAY



BM 13  
N=17174131.15'  
E=1335070.84'  
EL.= 35.48'



BM 12  
N=17174071.92'  
E=1334090.07'  
EL.= 38.30'

SANITARY SEWER MAINLINE  
PIPE RUNNING NORTH AT ELEVATION=39.2'  
PIPE RUNNING WEST AT ELEVATION=42.8'  
PIPE RUNNING SOUTH AT ELEVATION=45.8'

- GENERAL NOTES:**
1. SURVEY OF THE FOUNDATION AND PIERS WAS CONDUCTED ON MAY 8, 9, 10, 11, 17, 18, 20, 21 AND 23, 2023. SITE CONTROL WAS CONFIRMED BY DIFFERENTIAL LEVELS ON MAY 30, 2023.
  2. GRID COORDINATES AND ELEVATIONS WERE DERIVED AND MEASURED WITH THE TEXAS VRS NETWORK AND ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH ZONE, NORTH AMERICAN DATUM OF 1983.
  3. THE FOUNDATION EDGES AND CORNER LOCATIONS OF THE EXISTING FOUNDATION WERE OBTAINED BY LIDAR SCANS OBTAINED ON MAY 9, 2023. SOME CORNERS WERE NOT ACCESSIBLE DUE TO DEBRIS DUE TO THE UPPER WALL DEMOLITION. EXISTING WALL LOCATIONS AT THE TIME OF THE LIDAR SCAN WERE USED TO COMPUTE THE CORNER LOCATIONS IN THESE AREAS. THE BASEMENT WALLS WERE DEMOLISHED DOWN TO THE ELEVATION OF THE BASEMENT FLOOR. THE PERIMETER OF THE WALLS IS SHOWN ON THIS DRAWING BY A DASHED LINE.
  4. THE EXISTING PIER ELEVATIONS OUTSIDE THE BASEMENT SHOWN WERE MEASURED AFTER DEMOLITION. THESE WERE TO BE CUT TO A MINIMUM OF FIVE (5) FEET BELOW THE NATURAL GROUND ELEVATION OF 40.0 FEET. THE EXISTING PIERS WITHIN THE BASEMENT WERE CUT OFF AT OR NEAR THE BASEMENT FLOOR ELEVATION. THE BASEMENT FLOOR ELEVATION VARIED FROM 29.35 FEET ALONG THE CENTER LINE TO AN ELEVATION OF 28.88 AT THE EAST AND WEST SIDES AS MEASURED.

BM 11  
N=17173550.29'  
E=1334092.11'  
EL.= 38.36'

FLUSHED BY RCP  
PIPE INVERT ELEVATION IS 34.4'

FLUSHED BY RCP  
PIPE INVERT ELEVATION IS 32.8'

FLUSHED BY RCP  
PIPE INVERT ELEVATION IS 32.3'

BM 10  
N=17173573.80'  
E=1335061.42'  
EL.= 37.02'

HOSPITAL BOULEVARD  
80' RIGHT-OF-WAY



SHEET 2 OF 2

**SURVEY OF PIER LOCATION**  
EXISTING FOUNDATION AND PIER LOCATION  
POST-DEMOLITION OF THE FORMER MEMORIAL HOSPITAL IN  
CORPUS CHRISTI, NUECES COUNTY, TEXAS.  
OVERALL SITE

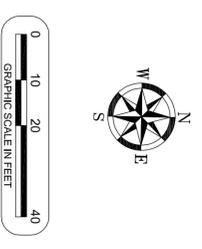


4507 GOLLHAR ROAD,  
CORPUS CHRISTI, TEXAS 78411  
361-914-9900

PROJECT NO.	220883	DATE	09/14/23
ENGINEER	RAUL A. CASTILLO	SCALE	AS SHOWN
PROJECT MANAGER	ROSTILDO HANSON	DATE	05/22/23
PROJECT NO.	220883	DATE	09/14/23

**GENERAL NOTES:**

1. SURVEY OF THE FOUNDATION AND PIERS WAS CONDUCTED ON MAY 8, 9, 10, 11, 17, 18, 20, 21 AND 23, 2023. SITE CONTROL WAS CONFIRMED BY DIFFERENTIAL LEVELS ON MAY 30, 2023.
2. GRID COORDINATES AND ELEVATIONS WERE DERIVED AND MEASURED WITH THE TEXAS NETWORK AND ARE BASED ON THE 1983 FUNDAMENTAL POINT NETWORK, SOUTH ZONE, NORTH AMERICAN DATUM OF 1983.
3. THE FOUNDATION EDGES AND CORNER LOCATIONS OF THE BASEMENT WERE DERIVED FROM TERRESTRIAL LIDAR SCANS OBTAINED ON MAY 9, 2023. SOME CORNERS WERE NOT ACCESSIBLE DUE TO DEBRIS FROM THE DEMOLITION. EXISTING WALL LOCATIONS AT THE TIME OF THE LIDAR SCANS WERE OBTAINED FROM THE 2017 LIDAR SCANS. THE EXISTING WALLS WERE LATER DEPICTED DOWN TO THE ELEVATION OF THE BASEMENT FLOOR. THE APPROXIMATE OUTER EDGE OF THE WALL IS SHOWN ON THIS DRAWING BY A DASHED LINE.
4. THE EXISTING PIER ELEVATIONS OUTSIDE THE BASEMENT SHOWN WERE MEASURED AFTER DEMOLITION. THESE WERE TO BE CUT TO A MINIMUM OF FIVE (5) FEET BELOW THE FINISHED GRADE. THE EXISTING PIER ELEVATIONS WERE MEASURED WITH THE TEXAS NETWORK. THE BASEMENT FLOOR ELEVATION, THE BASEMENT FLOOR TO AN ELEVATION OF 28.42 FEET ALONG THE CENTER TO AN ELEVATION OF 28.45 AT THE EAST AND WEST SIDES AS MEASURED.



**LEGEND:**

	BENCHMARK
	EXISTING PIER
	PIER - PULLED AND REMOVED BASEMENT FLOOR ELEVATION

SHEET 2 OF 2

**SURVEY OF PIER LOCATION**  
EXISTING FOUNDATION AND PIER LOCATION  
POST-DEMOLITION OF THE FORMER MEMORIAL HOSPITAL IN  
CORPUS CHRISTI, NUECES COUNTY, TEXAS.  
EXISTING BASEMENT FOUNDATION

**HANSON**  
Professional Services Inc.  
4507 GOLLHAR ROAD,  
CORPUS CHRISTI, TEXAS 78411  
361-514-9900

PROJECT: SURVEY OF PIER LOCATION  
CLIENT: HANSON PROFESSIONAL SERVICES INC.  
DATE: 05/23/2023  
DRAWN BY: RAC  
CHECKED BY: RAC  
SCALE: AS SHOWN

© Copyright Hanson Professional Services Inc., 2023



Water-Reel®

KIFCO  
www.kifco.com  
T200L  
KIFCO

WARNING



Water-Boat®

Water-Boat®

Water-Boat®

T200L





















**BOARD OF MANAGERS FINDINGS-OF-FACT**  
**AUGUST 16, 2023**

**FINDINGS-OF-FACT RELATING TO  
COMPLETION OR NEAR COMPLETION  
OF MEMORIAL BUILDINGS AND INFRASTRUCTURE  
IN ACCORDANCE WITH DEMOLITION PLANS**

**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” or “Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas;

**WHEREAS**, the Board of Managers of the Hospital District (the “Board”) is the governing body of the Hospital District, pursuant to Health Code, §281.047, and pursuant to the collective authorities of the Health Code, §281.047 and §281.048, the Board has, and at the time of adoption of this Findings-of-Fact had, full power and authority to manage, control, administer, and to adopt rules governing operation of the District;

**WHEREAS**, the Hospital District and CHRISTUS Spohn Health System Corporation (“CSHSC”) are parties to a certain Amended and Restated Membership Agreement (“Agreement”) and pursuant to Amended and Restated Schedule 1 (“Schedule 1”) of the Agreement, (1) CSHSC committed to the demolition of the Memorial Buildings and Infrastructure (“Demolition”) in accordance with the Demolition Plans (see Schedule 1 § 3.5.4) and (2) CSHSC secured its commitment to, among other things, demolish the Memorial Buildings and Infrastructure by depositing certain Escrow Funds into an escrow account in accordance with the terms of an Escrow Agreement among CSHSC, the Hospital District, and TMI Trust Company (“Escrow Agent”) (see Schedule 1 § 3.9.7);

**WHEREAS**, pursuant to Section 3.9.7.e of Schedule 1 of the Agreement, Spohn is entitled to disbursement of a portion of the Escrow Funds from the escrow account (“Disbursement”) following its certification of completion of the Demolition and the Hospital District’s inspection of the Demolition site pursuant to Section 3.5.4 of Schedule 1 of the Agreement to ensure the Demolition was completed in accordance with the Demolition Plans;

**WHEREAS**, CSHSC provided written notice to the Hospital District on August 8, 2023 notifying the District that CSHSC “believes it has completed or is near completion of the [Demolition] pursuant to the Demolition Plans” and inviting the Hospital District or its agents or representatives to inspect the Demolition site for compliance with Section 3.5.4 of Schedule 1 of the Agreement (“Written Notice of Demolition Completion”);

**WHEREAS,** Hanson Professional Services, the Hospital District's Owner's Representative, has completed its inspection of the Demolition Site in accordance with Section 3.5.4 of Schedule 1 of the Agreement and issued a report ("Owner's Representative's Report") related to CSHSC's Written Notice of Demolition Completion;

**WHEREAS,** Spohn has requested that the Hospital District execute a Disbursement request to the Escrow Agent ("Disbursement Request") pursuant to Section 3.9.7(d) of Schedule 1 of the Agreement and the Escrow Agreement for the Disbursement of Escrow Funds; and

**WHEREAS,** the Hospital District desires to make findings-of-fact relating to Spohn's completion of the Demolition in accordance with the Demolition Plans in support of the Disbursement Request pursuant to Section 3.9.7.d of Schedule 1 of the Agreement and the Escrow Agreement.

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

1. The Board hereby makes the following findings-of-fact relating to CSHSC's completion or near completion of the Demolition of the Memorial Buildings and Infrastructure in accordance with the Demolition Plans pursuant to Section 3.5.4 of Schedule 1 of the Agreement and CSHSC's entitlement to the Disbursement of Escrow Funds in accordance with Section 3.5.7.d of Schedule 1 of the Agreement:
  - a. CSHSC has provided Written Notice of Demolition Completion notifying the Hospital District that the Demolition has been completed or is nearly complete in accordance with Section 3.5.4 of Schedule 1 of the Agreement;
  - b. Hanson Professional Services, the Hospital District's Owner's Representative, has issued the Owner's Representative Report; and
  - c. CSHSC has requested that the Hospital District execute the Disbursement Request pursuant to Section 3.9.7(d) of Schedule 1 of the Agreement and the Escrow Agreement for the Disbursement of Escrow Funds.
  
2. It is intended that the preceding findings-of-fact identify and provide underlying support for the Board to consider a subsequent determination that the Demolition has been completed and that the requirements of Section 3.5.7.e of Schedule 1 have been met thereby providing a basis for the Hospital District's execution of the Disbursement Request.

[THIS SPACE INTENTIONALLY LEFT BLANK]

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

---

John E. Valls, MBA  
Chairman

---

Vishnu V. Reddy, M.D.  
Vice Chairman

---

Sylvia Tryon Oliver  
Member

---

Belinda Flores, R.N.  
Member

---

Judge Mariana Garza  
Member

---

Efrain Guerrero, Jr.  
Member

---

Arthur Granado  
Member

2023.08.16\_BOM\_Findings-of-Fact\_Regarding\_Completion\_Memorial\_Demolition (Final).docx

**CERTIFICATE FOR FINDINGS OF FACT**

**FINDINGS-OF-FACT RELATING TO  
COMPLETION OR NEAR COMPLETION  
OF MEMORIAL BUILDINGS AND INFRASTRUCTURE  
IN ACCORDANCE WITH DEMOLITION PLANS**

THE STATE OF TEXAS     §  
  §  
COUNTY OF NUECES     §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The members of the Board of Managers (the "Board") of the Nueces County Hospital District (the "Hospital District") have been duly appointed pursuant to Texas Health and Safety Code (the "Health Code"), §281.021.

2. Pursuant to Health Code, §281.021(a), the Board been duly appointed; pursuant to Health Code, §281.048, the Board is the governing body of the Hospital District; and pursuant to the collective authorities of Health Code, §281.047 and §281.048, the Board has, and the time of adoption of this Findings-of-Fact had, full power and authority to manage, control, administer, and to adopt rules governing operation of the Hospital District.

3. On the **16<sup>th</sup> day of August 2023** the Board convened in a regular meeting at the Hospital District's regular meeting place (the "Meeting"), the duly constituted members and officers of the Board being as follows:

- 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

and all said persons were present, except the following absentees:

\_\_\_\_\_, \_\_\_\_\_,  
, \_\_\_\_\_,  
and \_\_\_\_\_, thus constituting a quorum.

4. Among other business considered at the Meeting, the attached findings-of-fact entitled:

**FINDINGS-OF-FACT RELATING TO  
COMPLETION OR NEAR COMPLETION  
OF MEMORIAL BUILDINGS AND INFRASTRUCTURE  
IN ACCORDANCE WITH DEMOLITION PLANS**

is a true copy of a findings-of-fact introduced and submitted to the Board for consideration toward passage and adoption (the "Findings-of-Fact"). After presentation and discussion, it was then duly moved and seconded that the Findings-of-Fact be passed and adopted. The motion

to pass and adopt the Findings-of-Fact prevailed and carried by the following viva voce vote:

YEAS: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
PRESENT NOT VOTING: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

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

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

6. I am the Secretary of the Board having been duly appointed pursuant to Health Code, §281.023(b).

7. The foregoing Findings-of-Fact is in full force and effect; that the same has not been rescinded, nor has it been amended or modified in any way.

IN WITNESS WHEREOF, I have hereunto signed my name is officially and affixed the seal of the Hospital District on this the **16<sup>th</sup> day of August 2023**.

\_\_\_\_\_  
Jonny F. Hipp  
Secretary, Board of Managers

{DISTRICT SEAL}

## **ESCROW DISBURSEMENT MILESTONES**

**August 16, 2023**

1. Completion of Dr. Hector P. Garcia – Memorial Family Health Center
2. Completion of Emergency Department Renovations
3. Designation of Shoreline’s trauma center as “in active pursuit of Level II Trauma status”
4. Designation of Shoreline’s trauma center as a Level II Trauma Center
5. Demolition of Memorial Buildings an Infrastructure
6. Conversion of Memorial Campus to “green space”

- a. Spohn shall obtain a certificate of occupancy for the Dr. Hector P. Garcia – Memorial Family Health Center and treat an Indigent, as defined in Schedule 2 in that facility. Upon Spohn’s completion of such commitment and in accordance with the terms of the Escrow Agreement, Spohn shall be entitled to withdraw (i) twenty-five percent (25%) of the Escrow Funds, in the event that Spohn completes this commitment prior to completing any of the other commitments described in this Section 3.9.7, or (ii) an additional twenty-five percent (25%) of the cumulative Escrow Funds previously withdrawn by Spohn (e.g., if Spohn has previously withdrawn 25% of the Escrow Funds, Spohn shall be entitled to withdraw an additional amount equivalent to a cumulative of 50% of the Escrow Funds) as a result of its completion of one or more of the commitments described in Section 3.9.7, in the event Spohn completes this commitment after Spohn completes one or more of Spohn’s commitments described in this Section 3.9.7. In addition, Spohn shall reduce its subsequent Escrow Funds deposits by twenty-five percent (25%) upon completion of this commitment.
  
- b. Spohn shall complete the Emergency Department renovations at the Shoreline hospital campus as described in Section 2.5(a) of Schedule 2. Upon Spohn’s completion of such commitment and in accordance with the terms of the Escrow Agreement, Spohn shall be entitled to withdraw (i) twenty-five percent (25%) of the Escrow Funds, in the event that Spohn completes this commitment prior to completing any of the other commitments described in this Section 3.9.7, or (ii) an additional twenty-five percent (25%) of the cumulative Escrow Funds previously withdrawn by Spohn (e.g., if Spohn has previously withdrawn 25% of the Escrow Funds, Spohn shall be entitled to withdraw an additional amount equivalent to a cumulative of 50% of the Escrow Funds) as a result of its completion of one or more of the commitments described in this Section 3.9.7, in the event Spohn completes this commitment after Spohn completes one or more of Spohn’s commitments described in this Section 3.9.7. In addition, Spohn shall reduce its subsequent Escrow Funds deposits by twenty-five percent (25%) upon completion of this commitment.

- c. Spohn's Shoreline hospital campus shall obtain designation from the Texas Department of State Health Services as "in active pursuit" of Level II Trauma status. Upon Spohn's completion of such commitment and in accordance with the terms of the Escrow Agreement, Spohn shall be entitled to withdraw (i) twelve and a half percent (12.5%) of the Escrow Funds, in the event that Spohn completes this commitment prior to completing any of the other commitments described in this Section 3.9.7, or (ii) an additional twelve and a half percent (12.5%) of the cumulative Escrow Funds previously withdrawn by Spohn (e.g., if Spohn has previously withdrawn 50% of the Escrow Funds, Spohn shall be entitled to withdraw an additional amount equivalent to a cumulative of 62.5% of the Escrow Funds) as a result of its completion of one or more of the commitments described in this Section 3.9.7, in the event Spohn completes this commitment after Spohn completes one or more of Spohn's commitments described in this Section 3.9.7. In addition, Spohn shall reduce its subsequent Escrow Funds deposits by twelve and a half percent (12.5%) upon completion of this commitment.
  
- d. Spohn's Shoreline hospital campus shall obtain official designation from the Texas Department of State Health Services as a Level II Trauma facility. Upon Spohn's completion of such commitment and in accordance with the terms of the Escrow Agreement, Spohn shall be entitled to withdraw (i) twelve and a half percent (12.5%) of the Escrow Funds, in the event that Spohn completes this commitment prior to completing any of the other commitments described in this Section 3.9.7, or (ii) an additional twelve and a half percent (12.5%) of the cumulative Escrow Funds previously withdrawn by Spohn (e.g., if Spohn has previously withdrawn 62.5% of the Escrow Funds, Spohn shall be entitled to withdraw an additional amount equivalent to a cumulative of 75% of the Escrow Funds) as a result of its completion of one or more of the commitments described in this Section 3.9.7, in the event Spohn completes this commitment after Spohn completes one or more of Spohn's commitments described in this Section 3.9.7. In addition, Spohn shall reduce its subsequent Escrow Funds deposits by twelve and a half percent (12.5%) upon completion of this commitment.

- e. Spohn shall complete the demolition of the Memorial Buildings and Infrastructure. Upon Spohn's completion of such commitment and in accordance with the terms of the Escrow Agreement, Spohn shall be entitled to withdraw (i) twelve and a half percent (12.5%) of the Escrow Funds, in the event that Spohn completes this commitment prior to completing any of the other commitments described in this Section 3.9.7, or (ii) an additional twelve and a

-----

half percent (12.5%) of the cumulative Escrow Funds previously withdrawn by Spohn (e.g., if Spohn has previously withdrawn 75% of the Escrow Funds, Spohn shall be entitled to withdraw an additional amount equivalent to a cumulative of 87.5% of the Escrow Funds) as a result of its completion of one or more of the commitments described in this Section 3.9.7, in the event Spohn completes this commitment after Spohn completes one or more of Spohn's commitments described in this Section 3.9.7. In addition, Spohn shall be entitled to reduce its subsequent Escrow Funds deposits by twelve and a half percent (12.5%) upon completion of this commitment.



August 7, 2023

Jonny Hipp  
Administrator  
Nueces County Hospital District  
555 North Carancahua Street, Suite 950  
Corpus Christi, Texas 78401

*jonny.hipp@nchdcc.org*

**Re: Notice of Milestone Achievement and Escrow Disbursement Request**

Dear Mr. Hipp:

We are writing to confirm that, pursuant to Schedule 1, Section 3.9.7(d) of the CHRISTUS Spohn Health System Corporation Membership Agreement ("Membership Agreement"), Spohn has achieved its milestone to complete the demolition of the CHRISTUS Spohn Hospital Corpus Christi – Memorial Hospital ("Memorial") buildings and infrastructure. Attached is a copy of the certificate of substantial completion affirming completion of the milestone.

In accordance with Schedule 1, Section 3.9.7(d) of the Membership Agreement, and Section 3.2 of the Escrow Agreement among Nueces County Hospital District (the "District"), the TMI Trust Company (the "Escrow Agent"), and Spohn, and due to completion of prior milestones and escrow disbursements related to the Dr. Hector P. Garcia Memorial Health Center, Level II Trauma Center designation for CHRISTUS Spohn Hospital Corpus Christi – Shoreline, and emergency beds at CHRISTUS Spohn Hospital Corpus Christi – Shoreline, Spohn is entitled to withdraw a cumulative eighty-seven and one-half percent (87.5%) of the funds remaining in escrow upon completing the demolition of the Memorial buildings and infrastructure.

Pursuant to Section 3.1 of the Escrow Agreement, Spohn intends to submit the attached Disbursement Request to the Escrow Agent in order to withdraw eighty-seven and one-half percent (87.5%) of cumulative deposits in the account, in the amount of \$7,273,680.86. In order for the Escrow Agent to disburse the funds, a District authorized representative must sign the Disbursement Request. Accordingly, please sign the attached Disbursement Request and return it to us via email in PDF format.

***[Signature page follows]***

Jonny Hipp  
August 7, 2023  
Page 2

Very truly yours,



Dominic "Dom" Dominguez  
Senior VP Group Operations  
CHRISTUS Spohn Health System Corporation

Enclosures

cc: Belinda Espinoza  
Adam Robison  
Lance Ramsey  
Jennifer Gurevitz  
Becky Rios

***belinda.espinoza@nchdcc.org***  
***arobison@kslaw.com***  
***ramsey@gl-law.com***  
***jennifer.gurevitz@christushealth.org***  
***becky.rios@christushealth.org***

**ANNEX I**  
**FORM OF DISBURSEMENT REQUEST**

August 4, 2023

TMI Trust Company  
5901 Peachtree Dunwoody Road  
Suite C-495  
Atlanta, GA 30328  
Attention: Erik Benson  
Email address: [ebenson@tmico.com](mailto:ebenson@tmico.com) and [escrowrequests@tmico.com](mailto:escrowrequests@tmico.com)

**DISBURSEMENT REQUEST**  
**Escrow Account Number # 4343721**

Ladies and Gentlemen:

We refer you to that certain Escrow Agreement (the "*Agreement*"), dated as of November 30, 2015, among the District, Spohn and TMI Trust Company, as Escrow Agent. Capitalized terms used but not defined in this letter shall have the meanings given them in the Agreement.

Pursuant to the provisions of the Agreement, you are hereby directed to disburse funds held in the Escrow Fund held in the Escrow Account as follows:

- (i) *Disbursement Date: August 10, 2023*
- (ii) *Dollar Amount: \$7,273,680.86*
- (iii) *Beneficiary Name: CHRISTUS Health*
- (iv) *Beneficiary Address: 919 Hidden Ridge, Irving, TX 75038 USA*
- (v) *Beneficiary Bank Name: Bank of America*
- (vi) *Beneficiary Bank ABA/Routing # (9 digits): 026009593*
- (vii) *Beneficiary Account Number: 001390024038*
- (viii) *Reference: Disbursement*
- (ix) *Section of Agreement pursuant to which the Disbursement Request is being made: Article III*

The undersigned acknowledge that the Escrow Agent will act on this Disbursement Request subject to its rights under Article IV.

Very truly yours,

**Spohn:**  
**CHRISTUS Spohn Health System**  
**Corporation**

**District:**  
**Nueces County Hospital District**

By:   
Name: Dominic Dominquez  
Title: Senior VP Group Operations

By: \_\_\_\_\_  
Name: Jonny Hipp  
Title: Administrator/CEO

# AIA® Document G704® – 2017

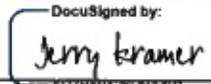
## Certificate of Substantial Completion

<b>PROJECT:</b> <i>(name and address)</i> Memorial Hospital Demolition Corpus Christi, Texas	<b>CONTRACT INFORMATION:</b> Contract For: Demolition Date: 6/24/2022	<b>CERTIFICATE INFORMATION:</b> Certificate Number: 01 Date: August 3, 2023
<b>OWNER:</b> <i>(name and address)</i> CHRISTUS Health, Inc. 919 Hidden Ridge Dr. Irving, TX 75038	<b>ARCHITECT:</b> <i>(name and address)</i> CLK Architects & Associates 615 N. Upper Broadway, Suite 1250 Corpus Christi, TX 78401	<b>CONTRACTOR:</b> <i>(name and address)</i> Grant Mackay Company, Inc. 1055 W. 500 South West Bountiful, UT 84087

The Work identified below has been reviewed and found, to the Architect's best knowledge, information, and belief, to be substantially complete. Substantial Completion is the stage in the progress of the Work when the Work or designated portion is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use. The date of Substantial Completion of the Project or portion designated below is the date established by this Certificate.

*(Identify the Work, or portion thereof, that is substantially complete.)*

Abatement of asbestos in building, demolition of Memorial Hospital buildings and structures. Clearing of site, compacted fill material placed, grade of site per construction documents, and seeding of site with watering to germinate grass seeds.

CLK Architects & Associates		Jerry C. Kramer, Principal	July 21, 2023
<b>ARCHITECT</b> <i>(Firm Name)</i>	<b>SIGNATURE</b>	<b>PRINTED NAME AND TITLE</b>	<b>DATE OF SUBSTANTIAL COMPLETION</b>

### WARRANTIES

The date of Substantial Completion of the Project or portion designated above is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below:

*(Identify warranties that do not commence on the date of Substantial Completion, if any, and indicate their date of commencement.)*

### WORK TO BE COMPLETED OR CORRECTED

A list of items to be completed or corrected is attached hereto, or transmitted as agreed upon by the parties, and identified as follows:

*(Identify the list of Work to be completed or corrected.)*

Continued watering of site to germinate seeds and establish grass.

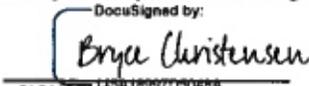
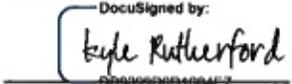
The failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Unless otherwise agreed to in writing, the date of commencement of warranties for items on the attached list will be the date of issuance of the final Certificate of Payment or the date of final payment, whichever occurs first. The Contractor will complete or correct the Work on the list of items attached hereto within sixty calendar (60) days from the above date of Substantial Completion.

Cost estimate of Work to be completed or corrected: \$N/A

The responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work, insurance, and other items identified below shall be as follows:

*(Note: Owner's and Contractor's legal and insurance counsel should review insurance requirements and coverage.)*

The Owner and Contractor hereby accept the responsibilities assigned to them in this Certificate of Substantial Completion:

Grant Mackay Company, Inc.		Bryce Christensen, Project Manager	8/3/2023
<b>CONTRACTOR</b> <i>(Firm Name)</i>	<b>SIGNATURE</b>	<b>PRINTED NAME AND TITLE</b>	<b>DATE</b>
CHRISTUS Health, Inc.		Kyle Rutherford, V.P., Construction	8/4/2023
<b>OWNER</b> <i>(Firm Name)</i>	<b>SIGNATURE</b>	<b>PRINTED NAME AND TITLE</b>	<b>DATE</b>

IN THE MATTER OF NUECES COUNTY HOSPITAL DISTRICT

DOCKET # CBCA-7792-FEMA

Arbitration Agreement

This agreement (hereinafter referred to as the "Arbitration Agreement"), is entered into on the 7<sup>th</sup> day of August, 2023, by and between the Federal Emergency Management Agency (hereinafter referred to as "FEMA" or the "Agency"), the Texas Division of Emergency Management (the "State"), and Nueces County Hospital District (the "Applicant"), collectively the "Parties", as follows:

WITNESSETH that:

WHEREAS, the Applicant sought arbitration before the Civilian Board of Contract Appeals ("CBCA") in the matter identified as CBCA 7792-FEMA, *In the Matter of Nueces County Hospital District*, to resolve a dispute arising out of the Applicant's request for a Public Assistance grant under the Robert T. Stafford Disaster Relief and Emergency Assistance Act ("Stafford Act"), 42 U.S.C. § 5172, for claimed reimbursement for the contract costs associated with consulting, project management, data, analytics, and strategic planning during COVID-19 for vaccination distribution.

WHEREAS, FEMA, the State, and the Applicant have agreed to resolve this arbitration matter under the terms set forth in this Arbitration Agreement.

NOW THEREFORE, in consideration of the foregoing, FEMA, the State, and the Applicant agree to resolve CBCA 7792-FEMA as follows:

1. The recitals above are ratified, confirmed, adopted, and incorporated as though specifically set forth below.
2. This Arbitration Agreement is not a deviation from FEMA practice or policies.
3. This Arbitration Agreement creates no precedent, nor does it create authority from which Applicant can cite to.
4. FEMA agrees to issue a version to Project Worksheet 00676 under FEMA-4485-DR-TX to obligate funding to reimburse the Applicant for the contract costs associated with consulting, project management, data, analytics, and strategic planning during COVID-19 for vaccination distribution, totaling \$503,127.00.
5. FEMA agrees to obligate the PW version as expeditiously as possible.
6. The statutes, rules, regulations, policies, and procedures that relate to and govern FEMA Public Assistance grants applies to the grant that is the subject of this Arbitration Agreement and this Arbitration Agreement does not negate or otherwise set aside any statute, regulation, policy, or procedure to which a Stafford Act grant is otherwise subject.
7. The Parties agree to each bear their own attorneys' fees, costs, and expenses related to the dispute and CBCA 7792-FEMA.
8. The terms of this Arbitration Agreement are in full and final resolution and



satisfaction of any and all claims, demands, rights, and causes of action of whatsoever kind and nature against FEMA based on, arising from, and by reason of any and all known and unknown injuries, foreseen and unforeseen, that the Applicant now has or hereafter may acquire against FEMA, its agents, servants, and employees, resulting, or to result, from FEMA action that is the subject of, or in any way related to the dispute in CBCA 7792-FEMA; and, the Applicant forever waives all rights to bring any actions, claims, demands, and causes of action of whatsoever kind and nature against FEMA related CBCA 7792-FEMA. Nothing in this paragraph, however, shall be construed as a release by Applicant of any action, claim or demand for funding or reimbursement that falls outside of the dispute in CBCA 7792-FEMA.

9. The terms of the numbered paragraphs of this Arbitration Agreement constitute the entire Arbitration Agreement of the Parties, and no statement, remark, agreement, or understanding, oral or written, that is not contained herein shall be recognized or enforced.

10. In consideration of the terms set forth above the parties agree that the arbitration before the CBCA is resolved and the Applicant hereby agrees that within three days of the execution of this Arbitration Agreement, the Applicant will file a request with the CBCA to voluntarily dismiss CBCA 7792-FEMA without prejudice.

11. This Arbitration Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be deemed one and the same instrument.

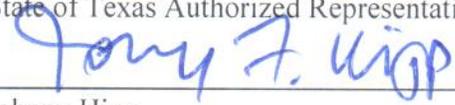
IN WITNESS WHEREOF, the parties, through their duly authorized representatives, have executed this Arbitration Agreement as of the date indicated below:

\_\_\_\_\_  
Colt Hagmaier  
Federal Emergency Management Agency  
Acting Assistant Administrator - Recovery Directorate  
Office of Response and Recovery

\_\_\_\_\_  
Date

\_\_\_\_\_  
W. Nim Kidd  
State of Texas Authorized Representative

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Johnny Hipp  
Nueces County Hospital District Authorized Representative

\_\_\_\_\_  
Date

