

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS  
Board of Managers - Regular Meeting  
Tuesday, April 23, 2024 at 12:00 PM**

**AGENDA**

**1. WELCOME**

**2. ROLL CALL OF BOARD OF MANAGERS**

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

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

A. Call to order.

B. Establish quorum.

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

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

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

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

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

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

- A. Approve Board of Managers Regular Meeting minutes of March 26, 2024. 7
  
- B. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2024 year-to-date: 15
  - 1. Salaries, benefits, supplies, and intergovernmental transfers at/for City of Corpus Christi/Nueces County Public Health District;
  - 2. Emergency medical services provided in unincorporated areas of Nueces County;
  - 3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;
  - 4. Medical services provided at County correctional facilities:
    - a. Nueces County Jail; and
    - b. Nueces County Juvenile Detention Center;
  - 5. Funding for alcohol and drug abuse treatment programs:
    - a. Cenikor (Charlie's Place);
    - b. Council on Alcohol and Drug Abuse; and
    - c. Palmer Drug Abuse Program;
  - 6. Funding for diabetes prevention and supporting programs;
  - 7. Public health grants; and
  - 8. Legal and professional fees.
  
- C. Receive summary imputed claims information on medical and hospital care provided to the Nueces Aid Program population consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement for fiscal year-to-date period-ended March 31, 16

2024.

D. Receive fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03.	17
E. Receive monthly statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Schedule 1 to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement; receive statement for month-ended March 31, 2024.	18
F. Receive statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C, as amended.	21
G. Receive summary report of cumulative estimated provider payments and actual intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental and directed payment programs sponsored by the Texas Health and Human Services Commission (HHSC):	22
1. <u>Directed Payment Programs</u> - Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:	
a. Comprehensive Hospital Increase Reimbursement Program (CHIRP);	
b. Network Access Improvement Program (NAIP);	
c. Texas Incentives for Physicians and Professional Services (TIPPS);	
d. Uniform Hospital Rate Increase Program (UHRIP); and	
2. <u>Supplemental Payment Programs</u> - HHSC-directed payments made to hospitals for achieving certain goals or to support health care providers that see significant numbers of uninsured or persons without much money:	
a. Disproportionate Share Hospitals (DSH) program;	
b. Graduate Medical Education (GME);	
c. Hospital Uncompensated Care (UC) pool; and	
3. <u>Phase-Out Programs</u> :	
a. Delivery System Reform Incentive Payment (DSRIP) pool.	
H. Receive reports relating to Nueces Aid Program enrollment for the month-ended March 31, 2024:	
1. Total Persons and Households Enrolled;	23
2. Enrollment Summary;	24
3. Denials;	

4. Application Processing Summary; and	27
5. Enrollment by Zip Code.	31

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

**A. Financial Statements:**

1. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended March 31, 2024. <i>(ACTION)</i>	34
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**B. Bank Depository:**

1. Qualify and designate Frost Bank as depository for Hospital District funds for the period October 1, 2023 - September 30, 2027; qualification and designation finalizes Board of Managers award of Request for Applications No. 2023-01 on August 22, 2023; qualification and designation pursuant to Chapter 116, Texas Local Government Code:	
a. Qualify Frost Bank as depository:	
1. Approve securities pledged by Frost Bank for deposited Hospital District funds; approval pursuant to Texas Local Government Code, §116.051;	41
b. Designate Frost Bank as depository:	
1. Adopt Board of Managers Order designating Frost Bank as depository for Hospital District funds; designation pursuant to Texas Local Government Code, §116.025;	43
c. Approve depository-related Agreements with Frost Bank and authorize Administrator to execute Agreements:	
1. Bank Depository Agreement; and	47
2. Security Agreement.	55
d. Approve depository-related Agreements with Federal Reserve Bank of Boston and authorize Administrator to execute Agreements; approval pursuant to Public Funds Collateral Act, Government Code, §2257.041:	
1. Pledgee Agreement.	65
e. Authorize Administrator to execute all other depository-related agreements and documents. <i>(ACTION)</i>	

**C. Opioid Settlement Funds:**

1. Receive information on Texas Comptroller of Public Accounts' final rule 34 TAC 16.222 relating to Texas Opioid Abatement Fund Council's distribution of settlement funds and hospital districts' receipt of those funds. <i>(INFORMATION)</i>	67
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2. Adopt Board of Managers Resolution required by Comptroller of Public Accounts relating to acceptance and use of funds distributed by the Texas Opioid Abatement Fund Council under Texas Government Code, Section 403.508(a)(2) and 34 Texas Administrative Code, Section 16.222; and authorize the Administrator to act on behalf of the District in all matters related to the above funds. **(ACTION)** 70

**D. Fiscal Year 2025 Budget:**

1. Discuss activities relating to preparation of budget for Fiscal Year 2025 (October 1, 2024 - September 30, 2025), including consideration of timelines, workshops, and other related activities. **(INFORMATION)**

**E. Administrator's Actions:**

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

a. Letter of Support issued to the Port of Corpus Christi Authority relating to Cimbar Resources, Inc. and its intent to establish a mineral processing-related Foreign Trade Zone at 322 Manning Road, Corpus Christi, Texas. **(ACTION)** 75

b. Letter Agreement with Frost Bank extending current depository and related agreements through June 30, 2024. **(ACTION)** 76

**8. ADMINISTRATOR'S BRIEFING:**

A. Next scheduled Board of Managers regular meeting (meeting's date, time, and location are subject to change):

1. Board of Managers: Tuesday, May 28, 2024, 12:00 Noon in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. **(INFORMATION)**

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

reconvening of the public meeting; or (b) at a subsequent public meeting of the Board upon notice thereof, as the Board shall determine pursuant to applicable laws. The Board specifically expects to go into a closed session(s) on the matters listed below pursuant to the Act, §551.071.

A. Consult with attorneys on matters relating to provisions of the CHRISTUS Spohn Health System Corporation Membership Agreement, Escrow Agreement, and Memorandum of Understanding Related to Termination of the Membership Agreement, and related matters.

B. Consult with attorneys on matters relating to the Letter Agreement with CHRISTUS Spohn Health System Corporation relating to Hospital District's support of CHRISTUS Spohn's Emergency Medicine Residency Program, and related matters.

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

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

11. **ADJOURN**

**BOARD OF MANAGERS  
NUECES COUNTY HOSPITAL DISTRICT  
REGULAR MEETING  
MARCH 26, 2024**

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The Nueces County Hospital District Board of Managers met at 12:00 p.m. March 26, 2024 in the NCHD Board Room at 555 N. Carancahua, Suite 950 – A Corpus Christi, Texas.

**HOSPITAL DISTRICT REPRESENTATIVES:**

Jonny F. Hipp	Administrator/CEO
Belinda Espinoza	Asst. Administrator, Admin. Services
Donna Littlefield	Director, Accounting & Finance
Mary Esther Guerra	Assistant County Attorney
John B. Martinez	General Counsel
Adam Robison	Legal Counsel
Melissa Quintanilla	Executive Assistant/Human Resources
Carmina Hernandez Moreno	Administrative Assistant

**OTHERS PRESENT:**

Danielle Converse	Port of Corpus Christi
Randy Almaguer	Corpus Christi Regional Economic
Dom Domingez	Corpus Christi Christus Spohn
Cassidy Willie	Gjerset & Lorenz, LLP – via Zoom
Jodi Harrell-Salmon	Corpus Christi Medical Center – via Zoom
Eric Evans	Corpus Christi Medical Center – via Zoom
Becky Rios	Corpus Christi Christus Spohn – via Zoom
Kidney Specialists	- via Zoom

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
MARCH 26, 2024**

**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 – Mr. John E. Valls, Chairman.  
The meeting was called to order by Mr. Valls at 12:07 p.m.

B. Establish quorum – Mr. Valls, Chairman.  
A quorum was present with all members in attendance.

**John E. Valls, MBA, Chairman – PRESENT**  
**Vishnu V. Reddy, M.D., Vice Chairman – PRESENT @ 12:27 p.m.**  
**Sylvia Tryon Oliver, Member – PRESENT**  
**Belinda Flores, R.N., Member – PRESENT**  
**Judge Mariana Garza, Member – PRESENT @ 12:16 p.m.**  
**Efrain Guerrero, Jr., Member – PRESENT**  
**Arthur Granado, Member – PRESENT**

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

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
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disclosed at that time.

5. **PUBLIC COMMENT** - Persons attending in-person and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must sign-in on the "Agenda Item Request to Speak" form provided at the entrance of the Board meeting room at least five (5) minutes prior to commencement of the meeting. Persons attending via audio or video conference and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must verbally notify the presiding officer of their desire to comment when the officer calls for public comment from those attending via audio and video conference. Commenters shall limit their comments to three (3) minutes, except that Commenters addressing the Board through a translator shall limit their comments to six (6) minutes.

**No one to speak for Public Comment.**

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

A. Approve Board of Managers Regular Meeting minutes of February 27, 2024.

B. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2024 year-to-date:

1. Salaries, benefits, supplies, and intergovernmental transfers at/for City of Corpus Christi/Nueces County Public Health District;
2. Emergency medical services provided in unincorporated areas of Nueces County;
3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;
4. Medical services provided at County correctional facilities:
  - a. Nueces County Jail; and
  - b. Nueces County Juvenile Detention Center;
5. Funding for alcohol and drug abuse treatment programs:
  - a. Cenikor (Charlie's Place);
  - b. Council on Alcohol and Drug Abuse; and
  - c. Palmer Drug Abuse Program;

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6. Funding for diabetes prevention and supporting programs;

7. Public health grants; and

8. Legal and professional fees.

C. Receive summary imputed claims information on medical and hospital care provided to the Nueces Aid Program population consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement for fiscal year-to-date period-ended February 29, 2024.

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

E. Receive monthly statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Schedule 1 to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement; receive statement for month-ended February 29, 2024.

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

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

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

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

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

- a. Disproportionate Share Hospitals (DSH) program;
- b. Graduate Medical Education (GME);

**BOARD OF MANAGERS  
REGULAR MEETING  
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c. Hospital Uncompensated Care (UC) pool; and

3. Phase-Out Programs:

a. Delivery System Reform Incentive Payment (DSRIP) pool.

H. Receive reports relating to Nueces Aid Program enrollment for the month-ended February 29, 2024:

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

I. Receive information relating to U.S. Department of Health and Human Services (HHS) Poverty Guidelines:

1. Annual update of the HHS Poverty Guidelines from Federal Register, Vol. 89, No. 11, January 17, 2024, pp. 2961-2963; and
2. Prior HHS Poverty Guidelines and Federal Register References, 1982 - 2024. **(INFORMATION)**

J. Receive notice of annual increase adjustments of Nueces Aid Program's Eligibility Guidelines; adjustments effective March 1, 2024 for:

1. Household Resources as required by Program's Handbook Policy No. NA002, Attachment 2, Sections I-B, I-C-1, I-C-23, and I-F; and
2. Household Income as required by Program's Handbook Policy No. NA002, Attachment 4, Section I-F-3. **(INFORMATION)**

**Consent Agenda approved. Motion by Ms. Flores and seconded by Mr. Granado. MOTION CARRIED.**

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

A. Finance:

1. Financial Statements:

a. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended February 29, 2024. **(ACTION)**

**Motion by Dr. Reddy and seconded by Judge Garza. MOTION CARRIED.**

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
MARCH 26, 2024**

**8. ADMINISTRATOR'S BRIEFING:**

A. Receive update on appointment to CHRISTUS Spohn Health System Corporation's Board of Directors for three-year term commencing January 1, 2024 and ending December 31, 2026. *(INFORMATION)*

B. Receive information on rebasing of Hospital District's Local Provider Participation Fund (LPPF) for Fiscal Year 2024; paying hospital's FY 2024 amounts owed rebased using most recently reported net patient revenue data from the 2022 DSHS/AHA/THA Annual Survey of Hospitals pursuant to Rule 9(d) of the District's LPPF Rules; LPPF authorized by Texas Health and Safety Code, Chapter 298C, as amended. *(INFORMATION)*

C. Receive update on recovery of management costs incurred in the administration of Hospital District's Project FEMA-4485-DR-TX under the FEMA Public Assistance Program, Category Z; Category Z management costs refer to the administrative costs incurred in the preparation of a FEMA application for all projects submitted under one disaster. *(INFORMATION)*

D. Receive information on Texas Comptroller of Public Accounts' final rule 34 TAC 16.222 relating to Texas Opioid Abatement Fund Council's distribution of settlement funds and hospital districts' receipt of those funds; rule implements part of Senate Bill (SB) 1827, 87th Legislature, Regular Session, requiring a portion of money received from statewide settlement agreements to be distributed to hospital districts. *(INFORMATION)*

E. Receive update on Cimbar Resources Inc. request for Letter of Support/Non-Objection relating to its intent to establish a mineral processing-related Foreign Trade Zone at 322 Manning Road, Corpus Christi, Texas, subject to a Payment In Lieu of Taxes Agreement between Cimbar and the Hospital District. *(INFORMATION)*

F. Next scheduled Board of Managers regular meeting (meeting date, time, and location are subject to change):

1. Board of Managers: Tuesday, April 23, 2024, 12 Noon in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. *(INFORMATION)*

**Mr. Valls, Chairman called for Close Session at 1:19 p.m.**

**9. CLOSED MEETING** - Public Notice is hereby given that the Board of Managers may go into closed meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda, when so authorized by the provisions of the Open Meetings Act, Texas

**BOARD OF MANAGERS  
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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 provisions of the CHRISTUS Spohn Health System Corporation Membership Agreement, Escrow Agreement, and Memorandum of Understanding Related to Termination of the Membership Agreement, and related matters.

**Dr. Reddy, Vice Chairman presided during closed session.  
Dr. Reddy, Vice Chairman closed meeting at 1:37 p.m.**

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

**Mr. Valls, Chairman called for Open Session at 1:37 p.m.**

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

**Motion by Ms. Oliver and seconded by Mr. Guerrero.  
MOTION CARRIED.**

11. **ADJOURN**

**Motion to adjourned by Mr. Valls, Chairman  
at 1:38 p.m.**

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
MARCH 26, 2024**

**PRESIDING OFFICERS:**

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John E. Valls, MBA, Chairman

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Dr. Vishnu V. Reddy, M.D., Vice Chairman

**ATTEST:**

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

Nueces County Hospital District  
 County Health Care Department Expenditures  
 Cash Disbursements Relating to  
 Fiscal Year 2024

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Fiscal 2024 YTD	Budget 2024	Balance
<b>County Healthcare Services</b>															
Health Dept - County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,313,000.00	2,313,000.00
Emergency Medical Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	650,000.00	650,000.00
NC MHID - Fund Matching	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	0.00	0.00	0.00	0.00	484,560.00	969,129.00	484,569.00
NC MHID - Jail Programs	0.00	155,787.27	255,506.92	226,879.13	210,505.13	163,863.93	0.00	0.00	0.00	0.00	0.00	0.00	1,012,542.38	3,018,000.00	2,005,457.62
NC Juvenile Center	33,326.89	33,164.73	2,316.03	54,808.55	73,063.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	196,680.18	474,000.00	277,319.82
Nueces County Jail Services	392,790.58	167,653.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	560,443.84	4,795,649.00	4,235,205.16
Cenikor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60,000.00	60,000.00
Council on Alcohol & Drug Abuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	50,000.00
Diabetes Program - County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	50,000.00
HALO-Flight Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	15,000.00
County Public Health Grants	0.00	0.00	80,000.00	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	130,000.00	220,000.00	90,000.00
<b>Totals</b>	<b>426,117.47</b>	<b>356,605.26</b>	<b>580,102.95</b>	<b>281,687.68</b>	<b>333,569.11</b>	<b>406,143.93</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,384,226.40</b>	<b>12,614,778.00</b>	<b>10,230,551.60</b>

**Nueces County Hospital District  
Imputed Claims Experience for Calendar Year 2024  
As if Adjudicated January 1, 2024 through March 31, 2024**

<b>Service</b>	<b>Claims</b>	<b>Billed</b>	<b>Contract Amt.</b>	<b>Co Insurance</b>	<b>Net</b>
ER	685	3,288,023	528,298	25,071	503,227
ASU	80	1,963,465	189,533	8,352	181,181
Clinic	78	315,550	143,696	8,264	135,432
Obs	19	514,689	115,365	16,856	98,509
OP	3,678	8,872,949	2,304,002	211,842	2,092,160
Subtotal	4,540	14,954,676	3,280,894	270,385	3,010,509
IP	106	8,021,891	395,771	15,297	380,474
SNF					-
RX	29,139	11,942,819	4,569,437	138,532	4,430,905
Physician	7,795	8,129,856	1,082,260	53,003	1,029,257
<b>Total</b>	<b>41,580</b>	<b>43,049,242</b>	<b>9,328,362</b>	<b>477,217</b>	<b>8,851,145</b>

**NOTE:**

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

Nueces County Hospital District  
 Spohn Corporate Member Revenue Analysis  
 Fiscal Year 2024

Member Revenue % 27.0%

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
<u>Membership Revenue Deposits</u>													
Week 1	2,066,861.61	2,162,309.02	3,013,205.01	2,078,550.74	1,969,908.53	2,786,145.01	1,564,970.57						15,641,950.49
Week 2	2,355,764.99	2,184,573.81	2,547,176.48	2,010,663.38	1,882,743.04	1,683,180.97	881,236.84						13,545,339.51
Week 3	2,814,490.24	2,693,689.25	3,344,880.84	2,491,554.21	2,740,056.15	1,650,015.23	1,875,246.00						17,609,931.92
Week 4	2,090,457.65	2,225,718.83	2,600,723.45	2,340,245.49	2,282,140.68	3,268,018.11							14,807,304.21
Week 5				2,197,719.23									2,197,719.23
Subtotal	9,327,574.49	9,266,290.91	11,505,985.78	11,118,733.05	8,874,848.40	9,387,359.32	4,321,453.41	0.00	0.00	0.00	0.00	0.00	63,802,245.36



Argent Institutional Trust  
5901 Peachtree Dunwoody Ste C495  
Atlanta, GA 30328

# ACCOUNT STATEMENT

ACCOUNT NUMBER: **████████████████████**  
MARCH 01, 2024 TO MARCH 31, 2024

**received**  
04/15/24

5

NUECES COUNTY HOSPITAL DISTRICT  
ATTN: JONNY HIPPI  
555 N CARANCAHUA ST STE 950  
CORPUS CHRISTI TX 78401-0835

1-142-4



ACCOUNT NAME:	<b>CHRISTUS SPOHN HEALTH SYSTEM CORP / NUECES COUNTY HOSPITAL DISTRICT</b>
ACCOUNT NUMBER:	<b>████████████████████</b>
ADMINISTRATIVE OFFICER:	<b>ALICE WOLAN 312-405-5393 AWOLAN @ARGENTFINANCIAL.COM</b>
INVESTMENT OFFICER:	<b>DIRECTED</b>

## YOU, FIRST.

Thank you for your business. If you have questions about your account statement, please contact your Administrative Officer listed in the shaded box at the top of this statement.

### \*\*\*IMPORTANT NOTICE\*\*\*

Argent Institutional Trust-formerly TMI- has changed accounting platforms. Be advised your account number \*\*3721 has changed to \*\*1617.

ACCOUNT NUMBER: [REDACTED]  
 MARCH 01, 2024 TO MARCH 31, 2024

## ACCOUNT ACTIVITY SUMMARY

	THIS PERIOD	YEAR TO DATE
<b>BEGINNING MARKET VALUE</b>	<b>3,103,771.73</b>	<b>3,078,960.12</b>
DEPOSITS	0.00	12,421.19
INCOME	11,607.19	23,997.61
<b>ENDING MARKET VALUE</b>	<b>3,115,378.92</b>	<b>3,115,378.92</b>

## PORTFOLIO HOLDINGS

QUANTITY	DESCRIPTION	MARKET VALUE	COST BASIS
<b>CASH AND EQUIVALENTS</b>			
3,115,378.920	09248U536 BLACKROCK LIQUIDITY FUNDS TREASURY TRUST FUND	3,115,378.92	3,115,378.92
<b>TOTAL</b>	<b>CASH AND EQUIVALENTS</b>	<b>3,115,378.92</b>	<b>3,115,378.92</b>
<b>GRAND TOTAL ASSETS</b>		<b>3,115,378.92</b>	<b>3,115,378.92</b>

## TRANSACTION DETAIL

DATE	DESCRIPTION	CASH	COST	GAIN / LOSS
03/01/24	<b>BEGINNING BALANCE</b>	<b>0.00</b>	<b>3,103,771.73</b>	
03/01/24	09248U536 DIVIDEND ON BLACKROCK LIQUIDITY FUNDS TREASURY TRUST FUND PAYABLE 03/01/2024	11,607.19		
	09248U536 NET DEPOSIT BLACKROCK LIQUIDITY FUNDS TREASURY TRUST FUND	11,607.19-	11,607.19	
03/31/24	<b>ENDING BALANCE</b>	<b>0.00</b>	<b>3,115,378.92</b>	<b>0.00</b>

## DISCLOSURE

Pricing for securities traded on the exchange is provided by third party sources. While sources used for pricing publicly traded securities are considered reliable, the prices displayed on your statement may or may not be based on actual trades, bid/ask information or vendor evaluations. As such, the prices displayed on your statement may or may not reflect actual trade prices you would receive in the current market. It is possible prices for certain securities may vary widely at the time of trade execution in comparison to valuation prices displayed for statement purposes. Securities not traded on an exchange are valued by a variety of sources, which may include issuer-provided or client-provided information. As such, the current statement will reflect the value of the asset based on its last known valuation which may not coincide with the statement reporting period. Argent Trust Company, or any of its affiliates, does not guarantee the accuracy, reliability, completeness or attainability of any pricing information provided by third party sources.

Argent's Disclosures and Privacy Policy can be viewed by visiting Argent's website. The web addresses to access these documents are as follows:



# ACCOUNT STATEMENT

PAGE 3

ACCOUNT NUMBER: [REDACTED]

MARCH 01, 2024 TO MARCH 31, 2024

## DISCLOSURE

Disclosure - <https://argentfinancial.com/argent-disclosures/>  
Tax Disclosure - <https://argentfinancial.com/annual-tax-disclosures/>  
Privacy Policy - <https://argentfinancial.com/privacy-policies/>



Nueces County Hospital District  
 Nueces LPPF Activity  
 Fiscal Year 2024

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balan	9,159,392.52	59,837,708.79	4,107,084.13	2,950,115.82	7,722,267.37	20,949,674.71	21,044,254.83	20,744,053.92	20,744,053.92	20,744,053.92	20,744,053.92	20,744,053.92	9,159,392.52
<u>Deposits</u>													
Christus Spohn	18,995,774.04				9,497,887.02								28,493,661.06
CCMC	12,800,598.04				6,400,299.02								19,200,897.06
CC Rehab	565,066.44			282,533.22									847,599.66
Driscoll	16,880,549.67												16,880,549.67
PAM Specialty		657,147.96		328,573.98									985,721.94
PAM Rehab		727,492.32		363,746.16									1,091,238.48
S. TX Surgical	1,374,215.28				687,107.64								2,061,322.92
Subtotal	50,616,203.47	1,384,640.28	0.00	974,853.36	16,585,293.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	69,560,990.79
Interest	62,112.80	151,385.24	16,479.29	26,306.62	26,649.60	94,580.12							377,513.67
Transfers In				4,979,044.15									4,979,044.15
<b>Total Deposits</b>	<b>50,678,316.27</b>	<b>1,536,025.52</b>	<b>16,479.29</b>	<b>5,980,204.13</b>	<b>16,611,943.28</b>	<b>94,580.12</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>74,917,548.61</b>
<u>Inter-Governmental Transfers</u>													
UC					(3,384,535.94)								(3,384,535.94)
DSRIP													0.00
CHIRP		(56,727,511.51)											(56,727,511.51)
TIPPS													0.00
DSH													0.00
HARP			(1,173,447.60)	(927,939.46)									(2,101,387.06)
GME		(539,138.67)		(280,113.12)			(300,200.91)						(1,119,452.70)
<b>Total IGT's</b>	<b>0.00</b>	<b>(57,266,650.18)</b>	<b>(1,173,447.60)</b>	<b>(1,208,052.58)</b>	<b>(3,384,535.94)</b>	<b>0.00</b>	<b>(300,200.91)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(63,332,887.21)</b>
Transfers Out													0.00
Bank Fees													0.00
<b>Ending Balance</b>	<b>59,837,708.79</b>	<b>4,107,084.13</b>	<b>2,950,115.82</b>	<b>7,722,267.37</b>	<b>20,949,674.71</b>	<b>21,044,254.83</b>	<b>20,744,053.92</b>						

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

Provider	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	GME	HARP	TOTALS	
Christus Spohn - Corpus Christi	393,023,597	560,417,560	266,619,703	55,407,073	141,389,876	93,294,116	3,876,301	2,833,760	9,451,557	1,526,313,543	46%
Christus Spohn Rural (Alice/Beeville/Kleberg)	48,398,858	211,397,908	0	14,881,126	0	17,542,279	0	0	516,989	292,737,160	9%
Corpus Christi Medical Center	121,850,134	159,267,883	0	47,953,129	0	139,211,571	0	2,862,083	5,388,418	476,533,220	14%
Driscoll Childrens Hospital	314,822,705	24,239,617	0	0	0	550,191,606	479,717	6,440,351	27,353,074	923,527,071	28%
Detar Hospital	24,949,804	47,723,156	0	15,297,365	0	0	0	0	0	87,970,325	3%
North Bay General Hospital	0	0	0	503,238	0	0	0	0	0	503,238	0%
South Texas Surgical Hospital	0	0	0	902,639	0	0	0	0	0	902,639	0%
Corpus Chrisit Rehab Hospital	0	0	0	296,670	0	0	0	0	0	296,670	0%
PAM Specialty Hospital	0	0	0	1,330	0	0	0	0	0	1,330	0%
PAM Rehab Hospital	0	0	0	1,061,105	0	0	0	0	0	1,061,105	0%
Nueces County Health Dept	21,809,410	0	0	0	0	0	0	0	0	21,809,410	1%
<b>TOTALS</b>	<b>924,854,508</b>	<b>1,003,046,125</b>	<b>266,619,703</b>	<b>136,303,674</b>	<b>141,389,876</b>	<b>800,239,573</b>	<b>4,356,019</b>	<b>12,136,194</b>	<b>42,710,039</b>	<b>3,331,655,710</b>	<b>100%</b>

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

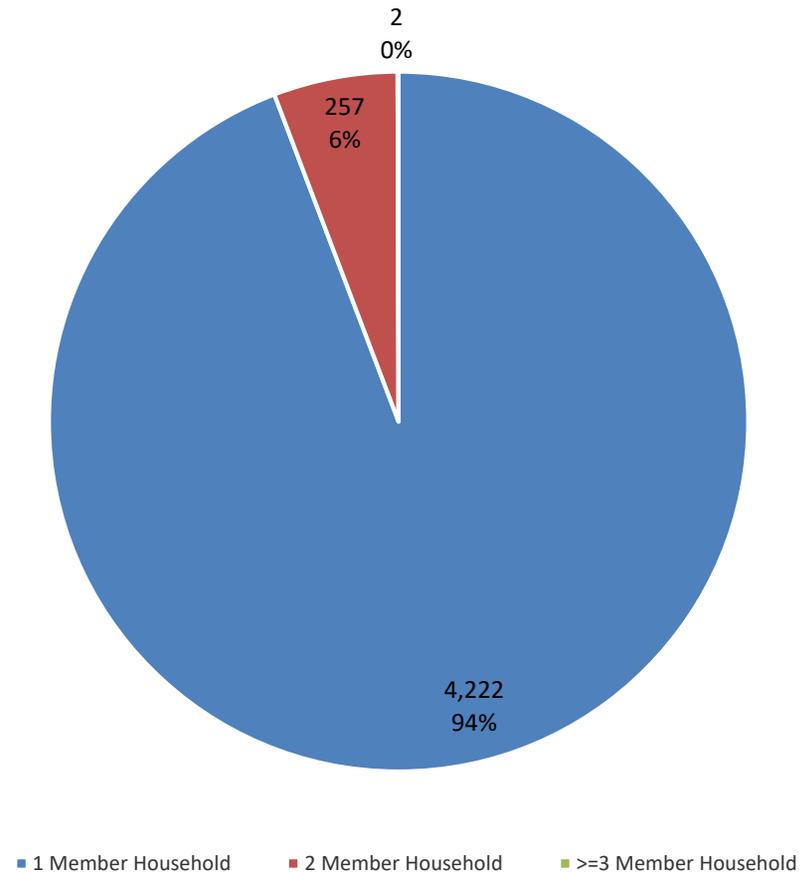
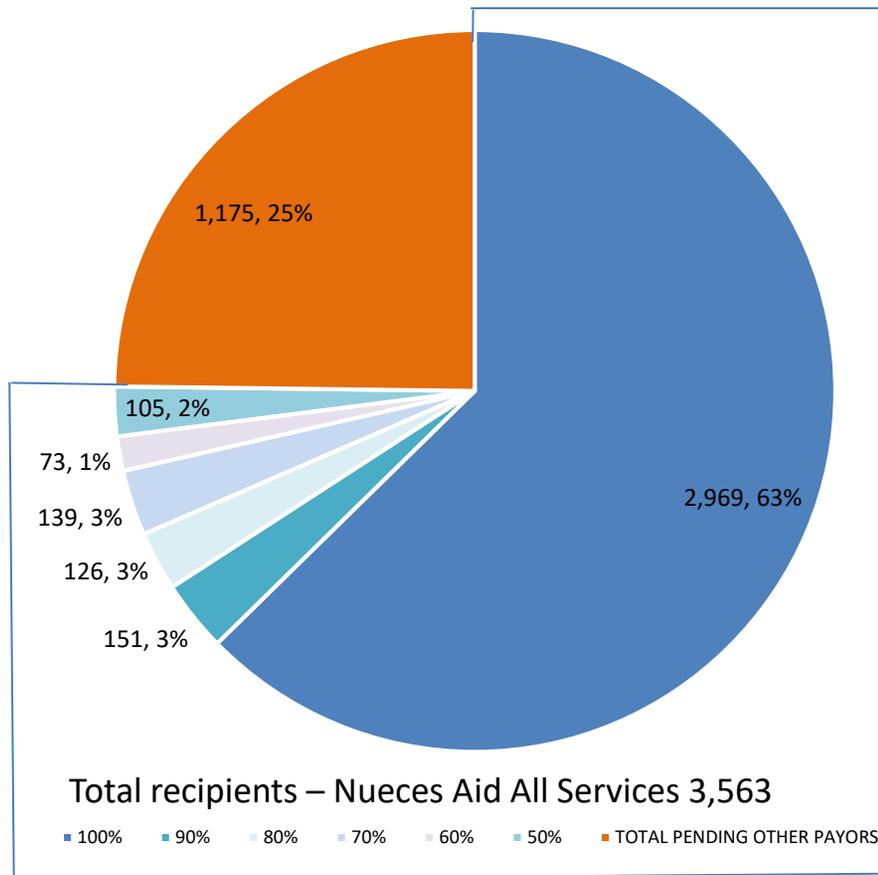
IGT Source	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	GME	HARP	TOTALS
Nueces County Hospital District	338,074,018	327,872,336	94,329,100	59,112,085	55,568,232	33,473,068	0	3,623,568	14,596,484	926,648,891
Nueces LPPF	27,902,997	62,172,758	7,478,253	0	0	270,632,296	1,855,623	1,119,453	2,101,387	373,262,766
<b>TOTALS</b>	<b>365,977,014</b>	<b>390,045,093</b>	<b>101,807,354</b>	<b>59,112,085</b>	<b>55,568,232</b>	<b>304,105,364</b>	<b>1,855,623</b>	<b>4,743,021</b>	<b>16,697,871</b>	<b>1,299,911,657</b>

# March 2024

## Nueces Aid Program Enrollment

Total Enrolled  
4,738

Total Households  
4,481





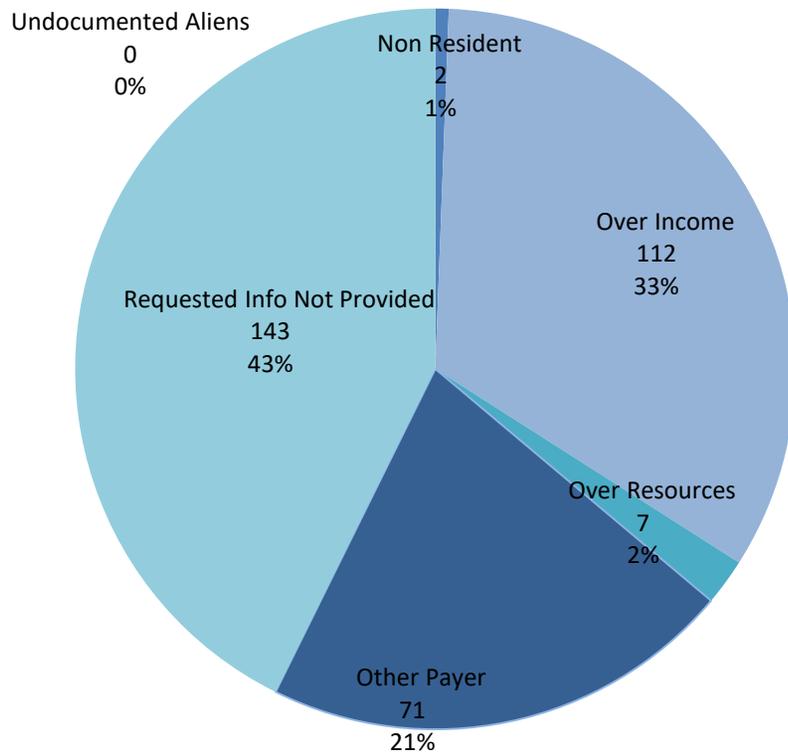
## Nueces Aid Program Enrollment Summary Calendar Year 2024

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2024 Average	Comments
<b>PENDING OTHER PAYORS</b>														
TANF	62	83	83										76	
%	5.3%	7.0%	7.1%										6.5%	
SSI-SSID	714	725	718										719	
%	61.5%	61.2%	61.1%										61.3%	These individuals are eligible for NCHD assistance if denied assistance by other payer.
Other Payor	385	377	374										379	
%	33.2%	31.8%	31.8%										32.3%	
<b>TOTAL PENDING OTHER PAYORS</b>	<b>1,161</b>	<b>1,185</b>	<b>1,175</b>										<b>1,174</b>	
	<b>24.8%</b>	<b>24.9%</b>	<b>24.8%</b>										<b>24.8%</b>	
<b>HOUSEHOLDS BY SIZE</b>														
1 Member Household	4,150	4,245	4,222										4,206	The percentage for each size household is calculated by dividing the number of each member household by the total number of households.
%	94.0%	94.3%	94.2%										94.2%	
2 Member Household	267	257	257										260	
%	6.0%	5.7%	5.7%										5.8%	
>=3 Member Household	0	0	2										1	
%	0.0%	0.0%	0.0%										0.0%	
<b>TOTAL HOUSEHOLDS</b>	<b>4,417</b>	<b>4,502</b>	<b>4,481</b>										<b>4,467</b>	

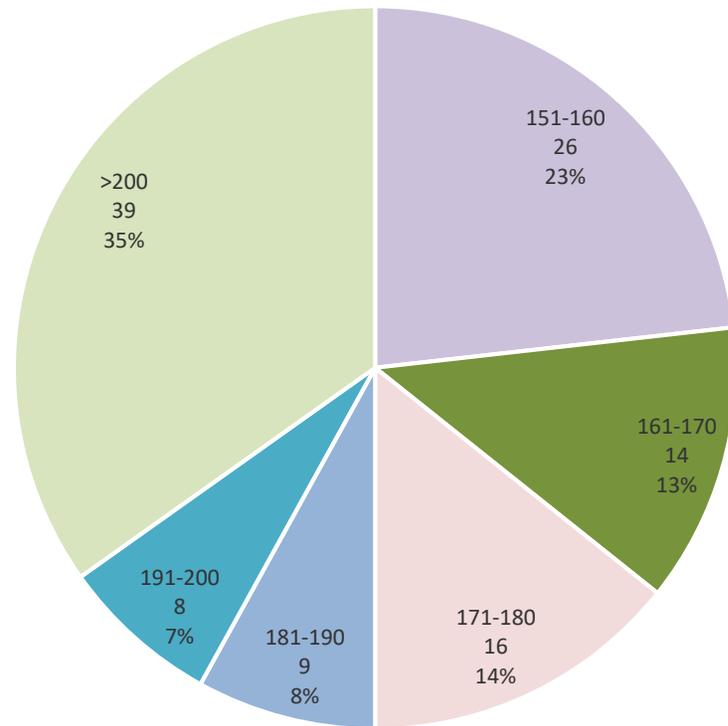
# NUECES AID DENIALS

Calendar Year 2024  
January-March

Denial Reasons



Comparison of Over Income Case to 2023 HHS Poverty Guidelines



**Nueces Aid Program  
Application Processing Summary Calendar Year 2024**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2024	Comments
<b>TOTAL APPLICATIONS</b>	949	897	805										2,651	
- Approved	831	784	701										2,316	
%	87.6%	87.4%	87.1%										87.4%	Since FY 1999, the denial rate is based on all denied individuals in the household.
- Denied	118	113	104										335	
%	12.4%	12.6%	12.9%										12.6%	
<b>APPROVALS BY PLAN TYPE</b>														
<b>NUECES AID - All Services</b>														
100%	585	489	495										1,569	
%	70.4%	62.4%	70.6%										67.7%	
90%	20	43	21										84	
%	2.4%	5.5%	3.0%										3.6%	
80%	25	21	15										61	
%	3.0%	2.7%	2.1%										2.6%	
70%	21	27	24										72	The percentage of approvals by plan option is calculated by dividing the number for each plan option by the total number of approved applications.
%	2.5%	3.4%	3.4%										3.1%	
60%	11	10	8										29	
%	1.3%	1.3%	1.1%										1.3%	
50%	17	11	17										45	
%	2.0%	1.4%	2.4%										1.9%	
<b>TOTAL</b>	679	601	580										1,860	
%	81.7%	76.7%	82.7%										80.3%	
<b>HOUSEHOLDS BY SIZE - APPROVED</b>														
1 Member Household	716	705	611										2,032	The percentage for each size household is calculated by dividing the number of households in the category by the total number of approved households.
%	92.5%	94.6%	93.0%										93.4%	
2 Member Household	58	40	44										142	
%	7.5%	5.4%	6.7%										6.5%	
3 or > Member Household	0	0	2										2	Households pending other payors are not included.
%	0.0%	0.0%	0.3%										0.1%	
<b>TOTAL HOUSEHOLDS APPROVED</b>	774	745	657										2,176	

**Nueces Aid Program  
Application Processing Summary Calendar Year 2024**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2024	Comments
<b>NCHD DENIALS - Reasons for Denials</b>														
Non Resident	0	1	1										2	The percentage for each denial reason is calculated by dividing the number of individuals for each reason by the total number of individuals denied.
%	0.0%	0.9%	1.0%										0.6%	
Over Income	37	43	32										112	
%	31.4%	38.1%	30.8%										33.4%	
Over Resources	2	0	5										7	
%	1.7%	0.0%	4.8%										2.1%	
Other Payer	37	16	18										71	
%	31.4%	14.2%	17.3%										21.2%	
Requested Info Not Provided	42	53	48										143	
%	35.6%	46.9%	46.2%										42.7%	
Undocumented Aliens	0	0	0										0	Note: UA code eff 08/01/01
%	0.0%	0.0%	0.0%										0.0%	
<b>TOTAL DENIALS</b>	118	113	104										335	
<b>HOUSEHOLDS BY SIZE - DENIED</b>														
1 Member Household	100	93	86										279	The denial percentage for each size household is calculated by dividing the number for each household size by the total number of denied households.
%	91.7%	90.3%	90.5%										90.9%	
2 Member Household	9	10	9										28	
%	8.3%	9.7%	9.5%										9.1%	
3 or > Member Household	0	0	0										0	Households pending other payors are not included.
%	0.0%	0.0%	0.0%										0.0%	
<b>TOTAL HOUSEHOLDS DENIED</b>	109	103	95										307	
<b>PENDING APPLICATIONS</b>														
Pending documentation	79	77	86										81	The YTD number for incomplete applications is the average of the monthly incomplete applications.
TANF	26	33	8										8	
SSI-SSID	65	75	57										57	
Other Payor	61	75	56										56	

**NCHD  
Eligibility History**

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg		
<b>2018</b>																
NCHD	5,630	5,708	5,674	5,613	5,471	5,481	5,492	5,438	5,396	5,467	5,673	5,235	66,278	5,523	-6%	
Pend	1,488	1,483	1,398	1,386	1,349	1,336	1,324	1,317	1,337	1,327	1,313	1,270	16,328	1,361	-1%	
Total	7,118	7,191	7,072	6,999	6,820	6,817	6,816	6,755	6,733	6,794	6,986	6,505	82,606	6,884	-5%	
% of PY	97%	99%	97%	96%	93%	93%	93%	94%	94%	94%	98%	93%	95%	95%		
<b>2019</b>																
NCHD	5,277	5,181	5,075	5,024	4,957	4,961	4,996	4,943	4,970	5,064	4,944	4,821	60,213	5,018	-9%	
Pend	1,294	1,260	1,289	1,305	1,274	1,281	1,330	1,356	1,339	1,357	1,330	1,277	15,692	1,308	-4%	
Total	6,571	6,441	6,364	6,329	6,231	6,242	6,326	6,299	6,309	6,421	6,274	6,098	75,905	6,325	-8%	
% of PY	92%	90%	90%	90%	91%	92%	93%	93%	94%	95%	90%	94%	92%	92%		
<b>2020</b>																
NCHD	4,963	4,955	4,903	4,731	5,132	4,698	4,198	3,660	3,260	3,604	3,752	3,868	51,724	4,310	-14%	
Pend	1,268	1,243	1,218	1,141	1,187	1,106	1,043	968	861	899	923	945	12,802	1,067	-18%	
Total	6,231	6,198	6,121	5,872	6,319	5,804	5,241	4,628	4,121	4,503	4,675	4,813	64,526	5,377	-15%	
% of PY	95%	96%	96%	93%	101%	93%	83%	73%	65%	70%	75%	79%	85%	85%		
<b>2021</b>																
NCHD	3,806	3,678	3,567	3,521	3,667	3,852	3,953	4,080	4,142	4,091	3,948	3,863	46,168	3,847	-11%	
Pend	932	921	922	964	981	1,014	1,052	1,028	1,039	1,060	1,070	1,076	12,059	1,005	-6%	
Total	4,738	4,599	4,489	4,485	4,648	4,866	5,005	5,108	5,181	5,151	5,018	4,939	58,227	4,852	-10%	
% of PY	76%	74%	73%	76%	74%	84%	95%	110%	126%	114%	107%	103%	90%	90%		
<b>2022</b>																
NCHD	3,781	3,711	3,738	3,755	3,805	3,869	3,910	3,945	4,042	3,987	3,884	3,785	46,212	3,851	0%	
Pend	1,093	1,061	1,110	1,113	1,144	1,150	1,147	1,183	1,191	1,191	1,181	1,171	13,735	1,145	14%	
Total	4,874	4,772	4,848	4,868	4,949	5,019	5,057	5,128	5,233	5,178	5,065	4,956	59,947	4,996	3%	
% of PY	103%	104%	108%	109%	106%	103%	101%	100%	101%	101%	101%	100%	103%	103%		
<b>2023</b>																
NCHD	3,767	3,186	3,727	3,611	3,614	3,599	3,565	3,548	3,566	3,598	3,613	3,545	42,939	3,578	-7%	
Pend	1,145	1,677	1,148	1,157	1,173	1,161	1,177	1,181	1,183	1,185	1,186	1,166	14,539	1,212	6%	
Total	4,912	4,863	4,875	4,768	4,787	4,760	4,742	4,729	4,749	4,783	4,799	4,711	57,478	4,790	-4%	
% of PY	101%	102%	101%	98%	97%	95%	94%	92%	91%	92%	95%	95%	96%	96%		
<b>2024</b>																
NCHD	3,523	3,573	3,563										10,659	3,553	-1%	
Pend	1,161	1,185	1,175										3,521	1,174	-3%	
Total	4,684	4,758	4,738	-	-	-	-	-	-	-	-	-	14,180	4,727	-1%	
% of PY	95%	98%	97%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	99%		



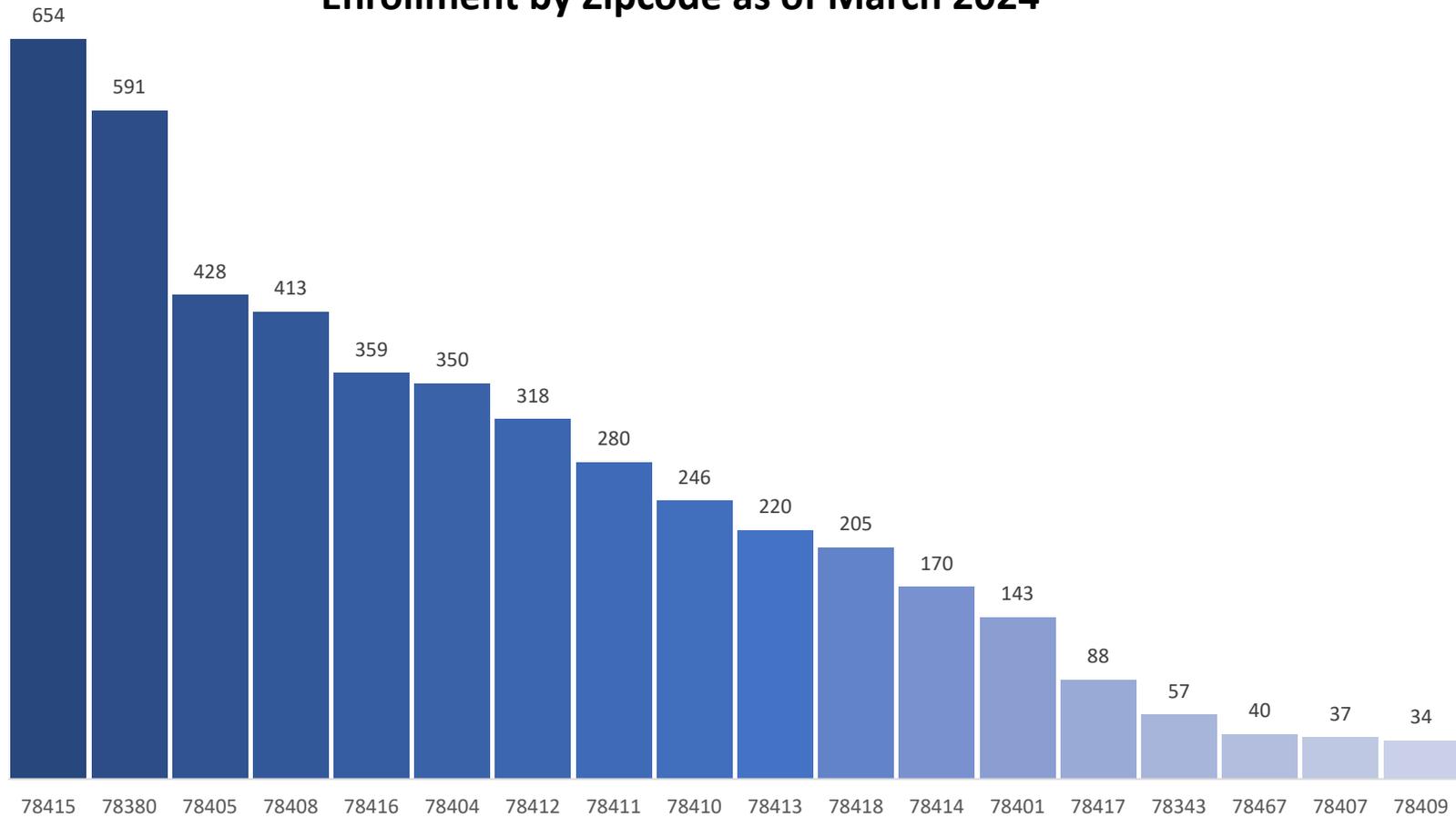
**Annual Comparative Enrollment Report  
Calendar Year 2024**

Month	Enrollment		Increase/(Decrease)	
	2024	2023	%	Enrollees
Jan	4,684	4,912	-4.64%	-228
Feb	4,758	4,863	-2.16%	-105
Mar	4,738	4,875	-2.81%	-137
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				



# Nueces County Hospital District

## Enrollment by Zipcode as of March 2024

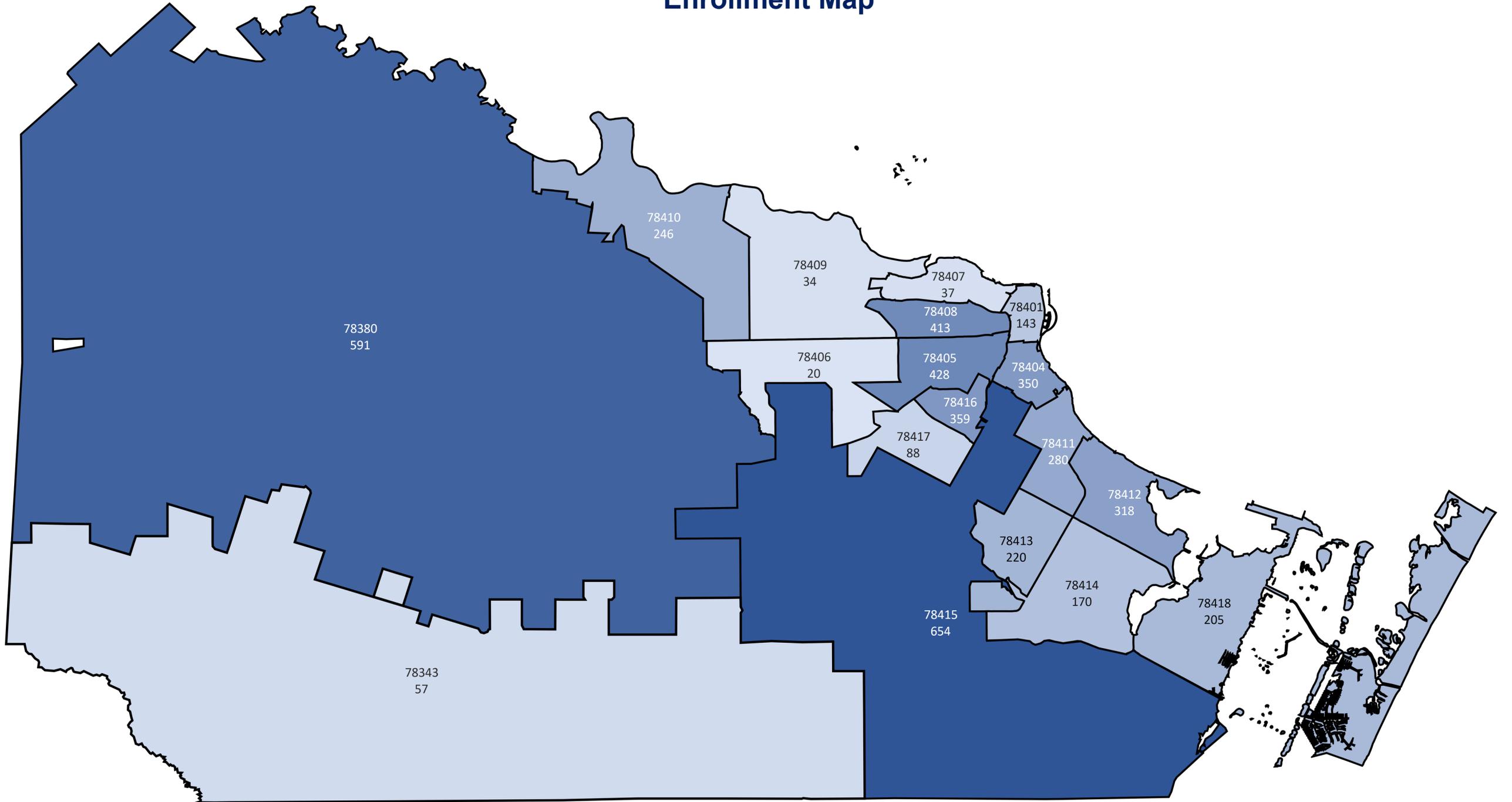


**Nueces County Hospital District  
Enrollment by Zip Code  
As of 3/31/2024**

<b>Zip Code</b>	<b>Description</b>	<b>Members</b>	<b>% to Total</b>
78415	CC:FM 665 to CR 61 to County Line to Weber & Crosstown	654	14%
78380	Robstown	591	13%
78405	CC:19th to Port Ave to Agnes, includes HPG	428	9%
78408	CC:Hwy 358 to Lipan Between I-37 & Agnes	413	9%
78416	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	359	8%
78404	CC:Six Points	350	7%
78412	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	318	7%
78411	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	280	6%
78410	CC:Annville and Calallen	246	5%
78413	CC:Weber to Holly rd to So Staples to Oso Pkwy	220	5%
78418	CC:Flour Bluff	205	4%
78414	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	170	4%
78401	CC:Downtown and Cargo Docks	143	3%
78417	CC:Old Brownsville to Ayers to Saratoga	88	2%
78343	Bishop + FM 665 to CR 107 W to CR 57E	57	1%
78467	CC: Leopard St Between S. Staples and Sam Rankin	40	1%
78407	CC: I-37 Up River Rd to South Port Ave to Joe Fulton Corridor	37	1%
78409	CC:Hwy 44 to Up River Rd to Rand Morgan E to Hwy 358	34	1%
	Subtotal	4,633	99%
	Total	4,698	



# Nueces County Hospital District Enrollment Map



**Nueces County Hospital District  
Combined Balance Sheet - All Fund Types & Account Groups  
As of 03/31/2024  
(In Whole Numbers)**

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
<b>Assets</b>						
Cash & Cash Equivalents	77,711,362 *	16,774,841	48,066	0	0	94,534,269
Investments	17,711,389	41,101,834	0	0	0	58,813,223
Accrued Interest	0	288,150	213	0	0	288,363
Taxes Receivable, Net of Allowance	6,683,253	0	0	0	0	6,683,253
Other Receivables	0	0	0	0	0	0
Due from Other Funds	19,406	0	0	0	0	19,406
Prepaid Expenditures	156,731	0	0	0	0	156,731
Restricted Cash & Cash Equivalents - LPPF	21,044,255	0	0	0	0	21,044,255
Fixed Assets	0	0	0	14,174,082	0	14,174,082
Amt to be Provided for Retirement of LT Debt	0	0	0	0	105,708	105,708
<b>Total Assets</b>	<u>123,326,396</u>	<u>58,164,826</u>	<u>48,279</u>	<u>14,174,082</u>	<u>105,708</u>	<u>195,819,291</u>
<b>Liabilities</b>						
Accounts Payable	4,782,650	0	0	0	0	4,782,650
Accrued Payroll & Related Liabilities	303,562	0	0	0	0	303,562
Intergovernmental Transfer Obligations	21,044,255	0	0	0	0	21,044,255
Due to Other Funds	0	7,833	11,574	0	0	19,406
Deferred Revenue	6,683,253	0	0	0	0	6,683,253
Long Term Paid Time Off	0	0	0	0	105,708	105,708
<b>Total Liabilities</b>	<u>32,813,719</u>	<u>7,833</u>	<u>11,574</u>	<u>0</u>	<u>105,708</u>	<u>32,938,834</u>
<b>Fund Equity</b>						
Fund Balance	72,381,415	0	36,705	14,174,082	0	86,592,203
Committed to:						
Intergovernmental Transfers	18,131,261	0	0	0	0	18,131,261
Indigent Care	0	58,154,790	0	0	0	58,154,790
Assigned to County Health Care	0	2,203	0	0	0	2,203
<b>Total Fund Equity</b>	<u>90,512,676</u>	<u>58,156,993</u>	<u>36,705</u>	<u>14,174,082</u>	<u>0</u>	<u>162,880,457</u>
<b>Total Liabilities &amp; Fund Equity</b>	<u>123,326,396</u>	<u>58,164,826</u>	<u>48,279</u>	<u>14,174,082</u>	<u>105,708</u>	<u>195,819,291</u>

\* General Fund Cash & Equivalents balance includes \$18,131,261 in committed funds.

Nueces County Hospital District  
Statement of Revenues and Expenditures - All Governmental and Trust Funds  
General Fund  
From 3/1/2024 Through 3/31/2024  
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Taxes	525,836	37,006,980
Penalties & Interest - Taxes	50,623	166,699
Spohn Corporate Member Revenue	9,387,359	59,480,792
Investment Income	423,346	2,030,102
Other Income	45	506,340
Total Revenues	10,387,209	99,190,913
Current Expenditures		
Intergovernmental Transfers	630,310	53,550,518
County Healthcare Funding	894,876	5,704,550
Salaries	142,678	881,993
Benefits	74,761	393,579
Legal & Professional Fees	74,397	505,003
Purchased Services	82,297	702,022
Supplies & Materials	1,839	8,311
Rent & Leases	12,936	70,824
Repairs & Maintenance	39	583
Utilities	3,024	20,851
Insurance	2,074	12,442
Administrative & General	6,015	39,091
Capital Outlay	3,388	3,388
Total Current Expenditures	1,928,632	61,893,155
Excess of Revenues Over Expenditures Before Sources/Uses	8,458,577	37,297,758
Excess of Revenues Over Expenditures After Sources & Uses	8,458,577	37,297,758
Fund Balance, Beginning of Year		53,214,918
FUND BALANCE, END OF YEAR		90,512,676

**Nueces County Hospital District**  
**Statement of Revenues and Expenditures - All Governmental and Trust Funds**  
**Special Revenue Fund**  
**From 3/1/2024 Through 3/31/2024**  
**(In Whole Numbers)**

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	197,053	1,054,319
Total Revenues	197,053	1,054,319
Current Expenditures		
Legal & Professional Fees	0	4,531
Total Current Expenditures	0	4,531
Excess of Revenues Over Expenditures Before Sources/Uses	197,053	1,049,787
Excess of Revenues Over Expenditures After Sources & Uses	197,053	1,049,787
Fund Balance, Beginning of Year		57,107,206
FUND BALANCE, END OF YEAR		58,156,993

**Nueces County Hospital District**  
**Statement of Revenues and Expenditures - All Governmental and Trust Funds**  
**Trust Fund**  
**From 3/1/2024 Through 3/31/2024**  
**(In Whole Numbers)**

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	213	1,251
Total Revenues	213	1,251
Current Expenditures		
Benefits	1,866	8,837
Administrative & General	20	127
Total Current Expenditures	1,886	8,964
Excess of Revenues Over Expenditures Before Sources/Uses	(1,673)	(7,713)
Excess of Revenues Over Expenditures After Sources & Uses	(1,673)	(7,713)
Fund Balance, Beginning of Year		44,418
FUND BALANCE, END OF YEAR		36,705

Nueces County Hospital District  
Statement of Revenues and Expenditures - Actual v. Budget  
General Fund  
From 3/1/2024 Through 3/31/2024  
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
<b>Revenues</b>						
Taxes	525,836	663,441	(137,605)	37,006,980	36,361,483	645,497
Penalties & Interest - Taxes	50,623	27,445	23,178	166,699	182,618	(15,919)
Spohn Corporate Member Revenue	9,387,359	9,562,500	(175,141)	59,480,792	57,375,000	2,105,792
Investment Income	423,346	107,647	315,699	2,030,102	463,395	1,566,707
Other Income	45	0	45	506,340	0	506,340
Total Revenues	<u>10,387,209</u>	<u>10,361,033</u>	<u>26,176</u>	<u>99,190,913</u>	<u>94,382,496</u>	<u>4,808,417</u>
<b>Current Expenditures</b>						
Intergovernmental Transfers	630,310	630,310	0	53,550,518	35,939,073	(17,611,445)
County Healthcare Funding	894,876	1,031,649	136,773	5,704,550	6,424,899	720,349
Salaries	142,678	149,839	7,161	881,993	972,660	90,667
Benefits	74,761	78,948	4,187	393,579	417,636	24,057
Legal & Professional Fees	74,397	97,416	23,019	505,003	584,504	79,501
Purchased Services	82,297	99,750	17,453	702,022	812,321	110,299
Supplies & Materials	1,839	1,916	77	8,311	11,508	3,197
Rent & Leases	12,936	12,667	(269)	70,824	76,006	5,182
Repairs & Maintenance	39	834	795	583	5,004	4,421
Utilities	3,024	4,833	1,809	20,851	29,006	8,155
Insurance	2,074	2,824	750	12,442	16,956	4,514
Administrative & General	6,015	38,226	32,211	39,091	229,372	190,281
Capital Outlay	3,388	2,000,000	1,996,612	3,388	6,224,000	6,220,612
Extraordinary	0	417	417	0	2,502	2,502
Total Current Expenditures	<u>1,928,632</u>	<u>4,149,629</u>	<u>2,220,997</u>	<u>61,893,155</u>	<u>51,745,447</u>	<u>(10,147,708)</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>8,458,577</u>	<u>6,211,404</u>	<u>2,247,173</u>	<u>37,297,758</u>	<u>42,637,049</u>	<u>(5,339,291)</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>8,458,577</u>	<u>6,211,404</u>	<u>2,247,173</u>	<u>37,297,758</u>	<u>42,637,049</u>	<u>(5,339,291)</u>
Fund Balance, Beginning of Year				53,214,918	0	53,214,918
FUND BALANCE, END OF YEAR				<u>90,512,676</u>	<u>42,637,049</u>	<u>47,875,627</u>

Nueces County Hospital District  
Statement of Revenues and Expenditures - Actual v. Budget  
Tobacco Settlement Fund  
From 3/1/2024 Through 3/31/2024  
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	10	0	10	58	0	58
Total Revenues	10	0	10	58	0	58
Excess of Revenues Over Expenditures Before Sources/Uses	10	0	10	58	0	58
Excess of Revenues Over Expenditures After Sources & Uses	10	0	10	58	0	58
Fund Balance, Beginning of Year				2,144	0	2,144
FUND BALANCE, END OF YEAR				2,203	0	2,203

Nueces County Hospital District  
Statement of Revenues and Expenditures - Actual v. Budget  
Indigent Care Fund  
From 3/1/2024 Through 3/31/2024  
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	197,043	72,854	124,189	1,054,260	435,761	618,499
Total Revenues	197,043	72,854	124,189	1,054,260	435,761	618,499
Current Expenditures						
Legal & Professional Fees	0	0	0	4,531	0	(4,531)
Total Current Expenditures	0	0	0	4,531	0	(4,531)
Excess of Revenues Over Expenditures Before Sources/Uses	197,043	72,854	124,189	1,049,729	435,761	613,968
Excess of Revenues Over Expenditures After Sources & Uses	197,043	72,854	124,189	1,049,729	435,761	613,968
Fund Balance, Beginning of Year				57,105,061	0	57,105,061
FUND BALANCE, END OF YEAR				58,154,790	435,761	57,719,029



111 West Houston Street  
Post Office Box 1600  
San Antonio, Texas 78296  
[www.frostbank.com](http://www.frostbank.com)

April 18, 2024

Mr. Jonny F. Hipp, ScD, FACHE  
Administrator/Chief Executive Officer  
Nueces County Hospital District  
555 N. Carancahua Street, Ste. 950  
Corpus Christi, Texas 78401

RE: Proof of Security for Depository

Dear Mr. Hipp,

Frost Bank is excited to be the depository for Nueces County Hospital District (NCHD) from October 1, 2023 – September 30<sup>th</sup>, 2027.

This letter serves as confirmation of security of funds to be deposited by NCHD during the contract term above. The report that shows the pledged securities follows this letter.

Should you have any questions, please feel free to contact me at the phone number or email below.

A handwritten signature in blue ink, appearing to read "Kyle Broughton", with a long horizontal line extending to the right.

Kyle Broughton  
Assistant Vice President  
[Kyle.Broughton@frostbank.com](mailto:Kyle.Broughton@frostbank.com)  
361-844-1262

**Investment Portfolio Pledged Securities**

Frost Bank  
San Antonio, TX

InTrader (pledged )  
Last : 04/15/2024  
As-of: 04/16/2024  
001

Sec ID	Security Description Line 1	Safekeeping Agent	Original Face S & P	Priced	Book Value			
Loc	Ticket	Security Description Line 2	Rate	Maturity	Grp	Par/Curr Face Moody	Pledged	Market Value
<b>PLEGDED TO: nu50 NUECES CTY HOSP DIST</b>								
050195WW2		AUBREY TX INDEP SCH DIST	Bank of New York a/c 096286			5,000.00 AAA	03/28/2024	5,006.64
bn6	252019472	GENERAL OBLIGATION UNLTD	4	02/15/2047	ipa_88	5,000.00 Aaa	04/16/2024	4,966.70
		Pledge Description: BNY						
513174J37		LAMAR TX CONSOL INDEP SCH DIST	Bank of New York a/c 096286			875,000.00 AA	03/28/2024	864,939.48
bn6	252021849	GENERAL OBLIGATION UNLTD	4.25	02/15/2053	ipa_885	875,000.00 Aa3	04/16/2024	865,882.50
		Pledge Description: BNY						
<b>TOTAL FOR PLEDGE ID nu50</b>								
<b>Pledged: 2</b>			<b>Orig Face: 880,000.00</b>		<b>Current Face: 880,000.00</b>		<b>Market: 870,849.20</b>	<b>Book: 869,946.12</b>



**Administrative Offices**

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

Office: (361) 808-3300

Fax: (361) 808-3274

www.nchdcc.org

**BOARD OF MANAGERS ORDER**

**APRIL 23, 2024**

**DESIGNATE FROST BANK AS DEPOSITORY FOR HOSPITAL DISTRICT FUNDS  
FOR THE PERIOD OCTOBER 1, 2023 – SEPTEMBER 30, 2027**

**WHEREAS**, the Nueces County Hospital District (“Hospital District” or “District”) is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (the “Health Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas, including the Texas Local Government Code (the “Local Government Code”), Chapter 116;

**WHEREAS**, the Hospital District’s Board of Managers (“Board”) have been duly appointed pursuant to Health Code, § 281.021(a); and pursuant to the collective authorities of Health Code, § 281.047 and § 281.048, the Board is the District’s governing body and the Board has, and at the time of adoption of this Order had, full power and authority to manage, control, administer, and to adopt rules governing operation of the District;

**WHEREAS**, the Hospital District, under the authority of the Health Code, §281.093(a)(1) and following Local Government Code, Chapter 116, issued Request for Applications No. 2023-01 for Depository and Banking Services for the period October 1, 2023 – September 30, 2027, and as result thereof and pursuant to Local Government Code, Chapter 116, the Board selected Frost Bank on August 22, 2023 as the District’s depository for said period, subject to Frost Bank providing security, in accordance with Local Government Code, Chapter 116, Subchapter C, for the funds to be deposited by the District with Frost Bank;

**WHEREAS**, Frost Bank has been qualified by providing security in accordance with Local Government Code, Chapter 116, Subchapter C and such security has been approved by the Board.; and

**WHEREAS**, pursuant to Local Government Code, §116.025 the Board now desires to designate Frost Bank as the depository for Hospital District funds.

[THIS SPACE INTENTIONALLY LEFT BLANK]

**NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED THAT:**

1. Frost Bank is designated as the depository for Hospital District funds for the period October 1, 2023 – September 30, 2027 pursuant to Local Government Code, §116.025 and such designation shall remain effective as provided under the terms of the Bank Depository Agreement between the parties or as provided in Texas law.
2. The Hospital District’s Administrator is authorized to do any and all things necessary or convenient to accomplish the purposes of this Order.

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

---

John E. Valls, M.B.A.  
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



5. The attached Order 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 Order 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 Order, 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 Order 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 officially and affixed the seal of the Hospital District on this **23<sup>rd</sup> day of April 2024.**

---

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

{HOSPITAL DISTRICT SEAL}



## **BANK DEPOSITORY AGREEMENT**

This depository agreement for public fund entities, together with the terms of the BANK's bid to serve as depository for the NUECES COUNTY HOSPITAL DISTRICT, a copy of which is attached hereto, if applicable (collectively, this "Agreement"), is made and entered into on the date last herein written by and between **Nueces County Hospital District**, hereinafter called "DEPOSITOR," and FROST BANK, a Texas state bank, duly organized and authorized by law to do banking business in the State of Texas and now carrying on such business in said State (the "BANK").

### **1. Appointment of Depository and Term.**

DEPOSITOR designates BANK as a depository for the period beginning **October 1, 2023** and continuing until this Agreement has been canceled in accordance with the provisions hereof, for certain accounts in the name of the DEPOSITOR, and such accounts shall be opened by the DEPOSITOR designating the accounts and making deposits therein and the BANK accepting said deposits. The term of this Agreement (the "Term") shall be **four (4) years, October 1, 2023, through September 30, 2027** (the "Initial Term"), as defined in the "**Nueces County Hospital District's**" Request for Application, unless the parties mutually agree to an extension of the Term of this Agreement if such extension is allowed by applicable law. If the parties agree to such an extension of the Term, then the parties shall either execute an addendum to this Agreement or other written evidence stating that the parties have agreed to an extension, the statutory or other legal authority for such extension and the date upon which such extension of the Term expires.

During the Term of this Agreement, the DEPOSITOR will, through appropriate action of its governing body, designate the officer or officers who, individually or jointly, will be authorized to represent and act on behalf of the DEPOSITOR in any and all matters of every kind arising under this Agreement, including, but not limited to, taking such actions as: (a) executing and delivering to BANK an electronic fund or funds transfer agreement (and any addenda thereto); (b) appointing and designating, from time to time, a person or persons authorized to request withdrawals, orders for payment, or transfers on behalf of DEPOSITOR in accordance with the electronic fund or funds transfer agreement and addenda; (c) making withdrawals or transfers by written instrument; and (d) delivering to BANK the DEPOSITOR's collateral policy and evidence of approval by the DEPOSITOR's governing body of (1) the collateral policy, (2) the CUSTODIAN (defined below), (3) this Agreement, and (4) the attached Security Agreement (defined below).

### **2. Establishment of Accounts.**

DEPOSITOR shall deposit such of its funds as it may choose, and BANK shall receive such deposits as "Demand Deposits," Interest on Checking Accounts ("IOCs"), "Savings Accounts," Money Management Accounts ("MMAs"), and/or Certificates of Deposit ("CDs"), as designated by DEPOSITOR, and BANK shall hold said Demand Deposits, IOCs, Savings Accounts, MMAs, and/or CDs subject to payment in accordance with the terms of the particular deposit. BANK will allow, credit, and pay interest on such IOCs, Savings Accounts, MMAs, and/or CDs at a rate to be set by the BANK, with: (1) interest on IOCs and MMAs to be paid monthly as it accrues through the last day of each month; (2) interest on Savings Accounts to be paid quarterly as it accrues through the last day each quarter; and (3) interest on CDs to be paid at maturity. Interest on CDs shall be calculated for the exact number of days on the basis of a 365-day year. All BANK accounts or products listed above shall be in the name of "Depositor" with the designation of the fund or account in accordance with instructions of Depositor.

**3. Depository Services; DEPOSITOR Records; Fees.**

Subject to the provisions stated above and to the particular terms of Demand Deposits, MMAs, Savings Accounts, or IOCs, BANK shall pay on demand to the order of DEPOSITOR upon presentation of checks, drafts, or vouchers properly issued, all or any portion of said deposits now on deposit or to be deposited with said BANK, as long as collected funds are on deposit.

BANK statements, check images, check registers, deposit slips, debit and credit notices, reconciliations, notices of interest earned, and any other related documentation, or images thereof, shall be retained by BANK for a period of 7 years after the date of receipt of the items. To the extent permitted by law, BANK shall make all records, books, and supporting documents, or images thereof, pertaining to services applicable to DEPOSITOR accounts and transactions pursuant to this Agreement available at any reasonable time during the term of this Agreement, to DEPOSITOR and its designated representatives. To the extent permitted by law, DEPOSITOR shall have the right to examine, audit, inspect, or make copies of any of such documents.

To determine charges for services rendered, BANK utilizes the T-Bill minus 200 BPS, floating as an earnings credit rate on BANK'S account analysis system. This system is used to calculate BANK service charges. The BANK'S "Managed Rate" is set at the BANK'S sole discretion. BANK will calculate the earnings of the BANK and use those earnings to offset the cost to the DEPOSITOR of combined services rendered by BANK. For any amount of cost of services not offset by DEPOSITOR'S balances as described above, DEPOSITOR authorizes BANK to auto debit DEPOSITOR'S main account for any amounts due for cost of services. Any interest paid on IOCs, Savings Accounts, or MMAs is considered an expense on the account analysis statement. The "Bank Managed Rate" shall not apply to the DEPOSITOR'S interest-on-checking account(s).

**4. Security of Funds; Acceptable Security; Appointment of CUSTODIAN; Increases in Collateral Amounts.**

All funds on deposit with BANK to the credit of the DEPOSITOR (including Demand Deposits, IOCs, Savings Accounts, MMAs, and CDs) shall be secured pursuant to the BANK's "Security Agreement" or similar agreement (the "Security Agreement") and any agreement required by the CUSTODIAN (defined below), all of which are attached hereto.

DEPOSITOR and BANK, by execution of this Agreement, designate Federal Reserve Bank, Federal Home Loan Bank or The Bank of New York Mellon Trust Company, N.A., designated as a state depository by the Texas Comptroller as the "CUSTODIAN," to hold collateral in an account maintained by CUSTODIAN in the name of the BANK and subject to the control of DEPOSITOR, according to the terms and conditions of this Agreement, the Security Agreement, and any agreement required by the CUSTODIAN to document such relationship.

DEPOSITOR recognizes that the Federal Deposit Insurance Corporation (or its successor) (the "FDIC") provides insurance for DEPOSITOR'S funds deposited at any one Texas financial institution, including accrued interest on such funds, only up to maximum regulatory limits as set by the FDIC. All uninsured funds on deposit with BANK to the credit of the DEPOSITOR shall be secured by collateral as provided for in the Texas Public Funds Collateral Act and in other applicable law (collectively, the "Acts"), and DEPOSITOR agrees and certifies that the collateral listed in Exhibit A to the Security Agreement shall be eligible to be used as collateral to secure DEPOSITOR's funds on deposit with the BANK. The market value of the collateral securing DEPOSITOR'S funds must at all times equal or exceed 102% of the daily ledger balance (amount of funds plus the amount of any accrued interest on the funds) of all DEPOSITOR'S Demand Deposits, IOC's, Savings Accounts, MMA's and CDs, less the FDIC standard maximum deposit insurance amount ("SMDIA") (the "Collateral Requirement"). The market value with respect to any collateral as of any date and priced on such date will be obtained by the BANK from a generally recognized pricing source.

When the need for collateral with the BANK is expected to increase on any given day or over a series of days, DEPOSITOR agrees to use their best efforts to notify the BANK of such expected increase at least 1 business day prior to the expected date the additional deposits are expected to be received.

**5. Delivery of Collateral to CUSTODIAN.**

BANK already, or will immediately after the effective date of this Agreement, deliver to CUSTODIAN collateral of the kind and character above mentioned of sufficient amount and market value to provide adequate collateral for the uninsured funds (as described in Section 4 above) of DEPOSITOR deposited with BANK. Such collateral or substitute collateral (as discussed below), shall be kept and retained by CUSTODIAN in an account maintained in the name of BANK and subject to the control of DEPOSITOR pursuant to the terms of this Agreement and of the Security Agreement, so long as the depository relationship between DEPOSITOR and BANK shall exist, and after the termination or expiration of this Agreement so long as any portion of the deposits made by DEPOSITOR with BANK shall have not been properly paid out by BANK to DEPOSITOR or on its order. The BANK grants a security interest in such collateral to DEPOSITOR. The joint custody account at the Federal Reserve Bank, Federal Home Loan Bank or The Bank of New York Mellon Trust Company, N.A. will be held in the BANK's and DEPOSITOR's name.

**6. Custodian Safekeeping Account.**

The BANK shall cause CUSTODIAN to accept said collateral and hold the same in trust for the purposes stated in this Agreement, in a separate joint safekeeping account with the CUSTODIAN, the DEPOSITOR, and the BANK, to be managed pursuant to the Security Agreement, and the operating agreements, guidelines, and procedures as stated in this Agreement and pursuant to the terms of any separate agreement with the CUSTODIAN.

**7. Duties and Liabilities of CUSTODIAN.**

It is distinctly understood by all the parties that the CUSTODIAN shall not be required to ascertain the amount of funds on deposit by the DEPOSITOR with BANK, nor the validity, authenticity, genuineness, or negotiability of the securities deposited with the CUSTODIAN by BANK pursuant to this Agreement, and the CUSTODIAN is not liable to anyone for performing in accordance with this Agreement, except for the safekeeping of the securities delivered to Custodian, and for any negligence, gross negligence or willful misconduct of CUSTODIAN's own officers, agents, and employees.

**8. Right of DEPOSITOR Upon BANK'S Breach of Duties Under Agreement or BANK'S Insolvency.**

Should BANK fail at any time to pay immediately and satisfy upon proper presentation any check, draft, or voucher lawfully drawn upon any Demand Deposit, or fail at any time upon proper presentation or authorization to pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any IOC, MMA, or Savings Account and the interest on such IOC, MMA, or Savings Account, or in case BANK becomes insolvent or in any manner breaches its contract with DEPOSITOR, it shall be the duty of the CUSTODIAN, upon the demand of DEPOSITOR (in DEPOSITOR's sole discretion, and supported by proper evidence of any of the above listed circumstances), to surrender the above-described collateral to DEPOSITOR. DEPOSITOR may, in accordance with the terms of this Depository Agreement and any applicable provisions of a Security Agreement, sell all or any part of such collateral, and out of the proceeds of such sale deduct for itself payment of all damages and losses sustained by it, together with all expenses of any kind and every kind incurred by DEPOSITOR on account of such breach, failure or insolvency, accounting to BANK for the remainder, if any, of such proceeds or collateral remaining unsold.

**9. Collateral Substitutions by BANK.**

If BANK shall desire to sell or otherwise dispose of any one or more of such collateral so deposited with the CUSTODIAN, it may, after obtaining prior approval of DEPOSITOR, substitute for any one or more of such collateral other collateral of the same market value and of the character authorized in this Agreement, and such right of substitution shall remain in full force and be exercised by BANK as often as it may desire

to sell or otherwise dispose of any such collateral; provided, however, that at all times, the aggregate amount of such collateral or substituted collateral deposited with the CUSTODIAN shall always be such that it meets the Collateral Requirement. If at any time the aggregate amount of such collateral so deposited with the CUSTODIAN is less than the Collateral Requirement, then in that event, BANK shall immediately deposit with the CUSTODIAN additional collateral as may be necessary to meet the Collateral Requirement. Such deposit shall occur no later than the end of the next business day after the value falls below the required level.

BANK shall be entitled to income on collateral held by the CUSTODIAN, and the CUSTODIAN may dispose of such income as directed by BANK without approval of DEPOSITOR, to the extent such income is not needed to secure DEPOSITOR's deposits, and provided that retention of such income does not otherwise violate this Agreement.

**10. Trust Receipts For Collateral; DEPOSITOR'S Right To Itemized List of Collateral.**

BANK shall cause CUSTODIAN to promptly forward to DEPOSITOR trust receipts via regular mail, or will provide such trust receipts and reporting on the Nexen Internet service made available to DEPOSITOR, covering all such collateral held for DEPOSITOR by CUSTODIAN, including substitute collateral substituted in accordance with this Agreement. BANK shall also maintain records relating to all such collateral held for the benefit of DEPOSITOR. Upon written request of the DEPOSITOR, and if in accordance with the CUSTODIAN's agreement, the BANK shall request that the CUSTODIAN furnish as of any date requested a completely itemized list of collateral held as security for DEPOSITOR.

**11. Collateral Value In Excess of Collateral Requirement.**

If at any time the collateral held by the CUSTODIAN for the benefit of the DEPOSITOR has a market value in excess of the Collateral Requirement, then upon the written authorization of an authorized representative of the BANK, confirmed by an authorized representative of the DEPOSITOR, the BANK may request withdrawal of a specified amount of collateral, the CUSTODIAN shall deliver this amount of collateral (and no more) to BANK, and the CUSTODIAN shall have no further liability for collateral so redelivered to BANK. There will be no fees assessed by the BANK against DEPOSITOR for excess collateral above the collateral requirement at any time.

All substitutions, releases, and additional pledges of collateral pursuant to the terms hereof and of the Security Agreement shall be completed at the earliest time as is commercially reasonable.

**12. Termination; Amendment of Agreement.**

Either DEPOSITOR or BANK shall have the right to terminate this Agreement prior to the expiration date by providing the other party with 90 days prior written notice of its election to terminate. The Agreement shall terminate 90 days after delivery of such written notice, provided that all provisions of this Agreement have been fulfilled.

In addition to any other remedy that DEPOSITOR may have at law or in equity, if BANK breaches this Agreement in any manner or defaults on its obligations hereunder and does not cure such breach or default within 30 days of BANK receiving notice of such breach or default from DEPOSITOR, then after expiration of such 30 day cure period, DEPOSITOR may terminate this Agreement and withdraw its funds by giving BANK written notice of termination and withdrawal. Both BANK and DEPOSITOR agree that among other items constituting default under this Agreement is a failure to maintain adequate collateral or adequate capital ratios (if applicable).

In the event that DEPOSITOR fails to comply with any of its promises in this Agreement, or if any of its representations are untrue or any of its warranties is breached, and DEPOSITOR does not cure such breach or default within 30 calendar days of DEPOSITOR receiving notice of such breach or default from BANK, then after expiration of such 30 calendar day cure period, BANK may terminate this Agreement by sending written notice to DEPOSITOR of BANK's decision to terminate. Upon receipt of such notice, DEPOSITOR shall make provisions for the immediate withdrawal of DEPOSITOR's funds from BANK.

This Agreement may be amended only by written agreement, approved by the governing body of DEPOSITOR and BANK, and executed by the duly authorized representative of, both the DEPOSITOR and the BANK.

**13. Post-Termination/Expiration Obligations.**

When the relationship of DEPOSITOR and BANK shall have ceased to exist, and when BANK shall have properly paid out all deposits of DEPOSITOR, it shall be the duty of DEPOSITOR to give the CUSTODIAN a certificate to that effect. Upon CUSTODIAN's receipt of such certificate, the CUSTODIAN shall redeliver to BANK all collateral then in its possession belonging to BANK for the benefit of DEPOSITOR, and taking its receipt for such delivery. An order in writing presented to the CUSTODIAN by DEPOSITOR and a receipt for such collateral by BANK shall constitute a full and final release of the CUSTODIAN of all its duties and obligations under this Agreement, and the CUSTODIAN shall not have any liability of any kind whatsoever to both DEPOSITOR and BANK, except for any liability as set forth in Section 7 above where such liability arose while the collateral was in CUSTODIAN's control.

**14. Representations and Warranties of the Parties.**

The BANK represents and warrants that:

- (a) the BANK is the sole legal and actual owner of the securities or of a beneficial interest in the securities utilized to collateralize deposits;
- (b) other than the security interest granted to DEPOSITOR herein (which, in the event of pooled securities for collateral purposes, shall be a pro rata security interest equal to the dollar amount of DEPOSITOR'S deposits), no other security interest has been, nor will be, granted in the securities utilized to collateralize deposits by DEPOSITOR;
- (c) BANK accounts are insured to the regulatory limits of the FDIC;
- (d) this Agreement has been approved by the BANK's Board of Directors, and such approval is evidenced by a true and correct copy of the resolution of BANK's Board of Directors adopted at the meeting at which this Agreement was approved (attached to this Agreement and incorporated for all purposes), and further, such approval is reflected in the minutes of such meeting of the Board of Directors; and
- (e) this Agreement is an official record of the BANK, and has been, and will continue to be, an official record of the BANK from the date of its approval by the BANK's Board of Directors.

The DEPOSITOR represents, warrants and promises that:

- (a) the DEPOSITOR has complied with all applicable law governing the selection of a depository bank, that DEPOSITOR has full power and authority to enter into this Agreement, the Agreement is a valid and binding agreement enforceable against the DEPOSITOR pursuant to its terms, and does not and will not violate any statute or regulation applicable to DEPOSITOR;
- (b) all acts, conditions, and things required to exist, happen, or to be performed on DEPOSITOR's part precedent to and in the execution and delivery of this Agreement exist or have happened or have been performed; and
- (c) DEPOSITOR will comply with the terms of any other agreements it may have with BANK in connection with this Agreement.

**15. Incorporation of Request For Proposal and Response; Conflicting Provisions.**

The DEPOSITOR's Request for Application dated **June 26, 2023** ("RFA"), and the BANK's response to the DEPOSITOR's RFA, dated **July 21, 2023** ("Response"), are incorporated into this Agreement by reference. In the event of any conflicts between the RFA and the Response, the provisions of the RFA control. In the event of any conflicts between the Response and this Agreement regarding provisions and topics addressed in both documents, the provisions of this Agreement control. In the event of any provisions and topics addressed in the Response and not addressed in this Agreement, the Response controls.

**16. Liability of the Parties.**

The BANK's and DEPOSITOR's duties and responsibilities to each other are limited as set forth in this Agreement, except with respect to any provisions of the law which cannot be varied or waived by agreement. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER BANK NOR DEPOSITOR WILL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF REVENUE OR ANTICIPATED PROFITS), OR FOR ANY INDIRECT LOSS THAT THE OTHER PARTY MAY INCUR OR SUFFER IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER (EVEN IF THE PARTY HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES), INCLUDING WITHOUT LIMITATION, ATTORNEYS' FEES.**

**17. Invalidity; Severability.**

If any clause or provision of this Agreement is for any reason held to be invalid, illegal, or unenforceable, such holding shall not affect the validity, legality, or enforceability of the remaining clauses or provisions of this Agreement.

**18. Governing Law; Venue.**

This Agreement shall be construed in accordance with the substantive laws of the State of Texas, without regard to conflicts of law principles thereof. BANK and DEPOSITOR consent to the non-exclusive jurisdiction of a state or federal court situated in Nueces County, Texas, in connection with any dispute arising from or relating to this Agreement. BANK and DEPOSITOR irrevocably waive, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such proceeding brought in such a court and any claim that such proceeding brought in such a court has been brought in an inconvenient forum.

**19. Notices.**

Any communication, notice, or demand to be given hereunder shall be duly given when delivered in writing or sent by telex or facsimile to a party at its address indicated below.

If to the DEPOSITOR: Jonny F. Hipp, Administrator/Chief Executive Officer  
Nueces County Hospital District  
555 N. Carancahua Street, Suite 950  
Corpus Christi, Texas 78401  
[johnny.hipp@nchdcc.org](mailto:johnny.hipp@nchdcc.org)

With a copy to: Donna Littlefield, Director of Accounting  
Nueces County Hospital District  
555 N. Carancahua Street, Suite 950  
Corpus Christi, TX 78401  
[donna.littlefield@nchdcc.org](mailto:donna.littlefield@nchdcc.org)

If to BANK:

Kyle Broughton, Assistant Vice President  
Frost Bank  
501 S. Shoreline Blvd  
Corpus Christi, Texas 78401  
[kyle.broughton@frostbank.com](mailto:kyle.broughton@frostbank.com)

**20. Security Measures.**

BANK and DEPOSITOR agree to implement and follow mutually agreeable and adequate measures to protect the privacy and security of DEPOSITOR's transactions and information, including communications and information held by DEPOSITOR or BANK, or transmitted between DEPOSITOR and BANK. These measures may set forth in various BANK service-specific agreements or documentation, and shall address such issues as: (1) signature and identity verification; (2) fraud detection, prevention and reporting; (3) security codes and similar controls; (4) transmittal procedures and prior and proper authorization of telecopy, telephone, electronic and other transactions; (5) e-commerce issues such as encryption, e-mail security, and website security; and (6) computer and other access controls. BANK shall provide DEPOSITOR with at least 30 days prior written notice of any changes or amendments to the Bank's security procedures, as described in this Section 20 and elsewhere in this Agreement or other BANK service-specific agreements or documents, unless such changes or amendments must, in BANK'S sole opinion and discretion, be made: (i) immediately in order to guard against or mitigate a risk of fraud or criminal activity; or (ii) immediately to comply with an order or directive from law enforcement, court of law or any other regulatory agency with authority over the BANK's activities and operations.

**21. Assignment and Binding Effect; Amendment.**

The DEPOSITOR may not assign all or any part of its rights or obligations under the Agreement without the BANK's prior express written consent, which may be withheld in the BANK's sole discretion. The BANK may not assign or delegate all or any part of its rights or obligations under the Agreement, including, without limitation, the performance of the services described herein, without the DEPOSITOR'S prior express written consent, which may be withheld in DEPOSITOR'S sole discretion except in the event of a sale, purchase, or acquisition of the Bank. The Agreement will be binding on and inure to the benefit of the successors and permitted assigns of either party.

**22. Third Party Service Providers.**

In the normal course of its business, BANK may engage third party vendors or subcontractors to provide or assist in providing all or part of certain services. In the event that BANK engages such third party vendors or subcontractors, any contracts that BANK enters into with such third party vendors or subcontractors for the assistance in providing services under this Agreement shall contain necessary clauses requiring such third party vendors or subcontractors to comply with the provisions of this Agreement, including, but not limited to, levels of performance, service and data security. Any third party vendor or subcontractor used by BANK is an independent contractor and not the BANK's agent. This Agreement may not be amended or modified in any manner except by written agreement executed by all of the parties.

**23. Records, Reports and Audits.**

BANK shall maintain separate, accurate and complete records relating to the DEPOSITOR's funds, the pledged securities and all transactions relating to the pledged securities. BANK will also take reasonable steps to insure that the CUSTODIAN shall maintain separate, accurate and complete records relating to the pledged securities and all transactions relating to the pledged securities. DEPOSITOR and its representatives or agents shall have the right to examine and audit at any reasonable time upon 5 days prior written notice all records maintained pursuant to this Section 23.

IN WITNESS WHEREOF, the BANK and DEPOSITOR have caused this Agreement to be duly executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

BANK:

**FROST BANK**

ATTEST:

By: \_\_\_\_\_  
Name: Kyle Broughton  
Title: Assistant Vice President

By: \_\_\_\_\_  
Name: Lauren Barrientos  
Title: Relationship Administrative Specialist

DEPOSITOR accepts and agrees as the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

DEPOSITOR:

**NUECES COUNTY HOSPITAL  
DISTRICT**

By: \_\_\_\_\_  
Name: Jonny F. Hipp  
Title: Administrator/Chief Executive Officer



## SECURITY AGREEMENT

FROST BANK, (the "Bank"), for valuable consideration, the receipt and sufficiency of which is acknowledged, grants a security interest in and a pledge and assignment of (a) any and all Eligible Collateral (as defined below) from time to time held by The Federal Reserve Bank ("FRB"), Federal Home Loan Bank ("FHLB") and/or The Bank of New York Mellon Trust Company, N.A. (the "Custodian"), identified on the Custodian's books as held for the account of the Depositor or jointly for the account of the Bank and the Depositor, together with (b) the products and proceeds of the foregoing and any substitutions or replacements thereof, whenever acquired and wherever located (the "Collateral") to **Nueces County Hospital District** (the "Depositor") in order to secure the payment when due, of the Deposits (as defined below) pursuant to the depository agreement ("Depository Agreement") between the Bank and the Depositor, dated of even date with this security agreement (the "Agreement") :

**1. Definitions.** Except as otherwise expressly defined in this Agreement, all terms used herein which are defined in the Uniform Commercial Code as in effect from time to time in Texas (the "Code") have the same meaning as in the Code. All other terms capitalized but not defined herein or in the Code have the meanings assigned to them in the Depository Agreement.

"Account" shall mean the separate custodial account established with Custodian in the name of Bank and for the benefit and subject to the control of Depositor as secured party in accordance with this Agreement.

"Authorized Person" shall be any officer of Depositor or Bank, as the case may be, duly authorized to give Written Instructions on behalf of Depositor or Bank, respectively, such authorized persons for Depositor to be designated in a certificate substantially in the form of Exhibit B, attached hereto, as such exhibit may be amended from time to time, or as designated in such other forms as may be prescribed by the Bank.

"Book-Entry System" shall mean the Federal Reserve/Treasury Book Entry System for receiving and delivering U.S. Government Securities.

"Business Day" shall mean any day on which Custodian and Bank are open for business and on which the Book Entry System is open for business.

"Collateral Requirement" shall mean an amount of Securities with a Market Value equal to 102% of Uninsured Deposits; provided, however, to the extent that mortgage-backed securities (declining principal balance) are used as Eligible Collateral, "Collateral Requirement" shall mean an amount of Securities with a Market Value equal to 110% of Uninsured Deposits secured with such mortgage-backed securities.

"Deposits" shall mean all deposits by Depositor in Bank, including all accrued interest on such deposits, that are available for all uses generally permitted by Bank to Depositor for actually and finally collected funds under the Bank's account agreement or policies.

"Eligible Collateral" shall mean any Securities of the types enumerated in the Schedule of Eligible Collateral (which types are in compliance with the collateral policy adopted and approved

by the governing body of Depositor) attached hereto as Exhibit A, as such exhibit may be amended from time to time pursuant to a written amendment signed by each of the parties to this Agreement, and any Proceeds of such Securities.

"Market Value" shall mean: (i) with respect to any Security held in the Account, the market value of such Security as made available to Bank or Custodian by a generally recognized source selected by the Bank or the Custodian, plus, if not reflected in the market value, any accrued interest on such Security, or, if such source does not make available a market value, the market value shall be as determined by Custodian or the Bank in its sole discretion based on information furnished to Custodian or Bank by one or more brokers or dealers; and (ii) with respect to any cash held in the Account, the face amount of such cash.

"Proceeds" shall mean any principal or interest payments or other distributions made in connection with Eligible Collateral and anything acquired upon the sale, lease, license, exchange, or other disposition of Eligible Collateral.

"Security" or "Securities" shall include, without limitation, any security or securities held in the Book-Entry System; common stock and other equity securities; bonds, debentures and other debt securities; notes, mortgages, or other obligations; and any instruments representing rights to receive, purchase, or subscribe for the same, or representing any other rights or interests in such security or securities.

"Trust Receipt" shall mean evidence of receipt, identification, and recording, including a written or electronically transmitted advice or confirmation of transaction or statement of account. Each advice or confirmation of transaction shall identify the specific securities which are the subject of the transaction. If available, statements of account may be provided by the Bank or the Custodian at least once each month and when reasonably requested by the Depositor, and must identify all Eligible Collateral in the Account and its Market Value.

"Uninsured Deposits" shall mean that portion of the daily ledger balance (amount of funds plus the amount of any accrued interest on the funds) of Depositor's Deposits with Bank which exceeds the standard maximum deposit insurance amount ("SMDIA") of the Federal Deposit Insurance Corporation ("FDIC").

"Written Instructions" shall mean written communications actually received by Bank or Custodian from an Authorized Person or from a person reasonably believed by Bank or Custodian to be an Authorized Person by a computer, telex, telecopier, or any other system whereby the receiver of such communications is able to verify by codes or otherwise with a reasonable degree of certainty the identity of the sender of such communication.

## **2. Security Requirement.**

- (a) The Bank, to secure the timely payment of Uninsured Deposits made by Depositor, has deposited with Custodian certain Securities as more fully described in the initial confirmation or Trust Receipt of such deposit delivered by Custodian to Bank and Depositor respectively. Pursuant to the Code, the Custodian shall act as a bailee or agent of the Depositor and, to the extent not inconsistent with such duties, shall hold Securities as a securities intermediary (as such term is defined in Chapter 8 of the Code) in accordance with the provisions of this Agreement, the Depository Agreement, and of any agreement entered into with the Custodian further governing the provision of Security by the Bank for Uninsured Deposits.

- (b) (i) To secure the timely payment of Uninsured Deposits made by Depositor with Bank, Bank agrees to deliver or cause to be delivered to Custodian for transfer to the Account, Eligible Collateral having a Market Value equal or greater than the Collateral Requirement.

(ii) If the Market Value of such Eligible Collateral on any Business Day is less than the Collateral Requirement for such day, the Bank shall be required to deliver additional Eligible Collateral having a Market Value equal to or greater than such deficiency as soon as possible but no later than the close of business of Custodian on the Business Day on which Bank determined such deficiency. If on any Business Day, the aggregate Market Value of the Eligible Collateral provided pursuant to this Agreement exceeds the Collateral Requirement for such day, Custodian shall, at the direction of Bank and with the prior approval of the Authorized Person acting on behalf of the Depositor, transfer from the Account to or for the benefit of Bank, Eligible Collateral having a Market Value no greater than such excess amount.

(iii) When additional Eligible Collateral is required to cover incremental Deposits, the Bank must receive the request for collateral one (1) Business Day prior to the Business Day the incremental Deposits are received, and the Bank shall be required to deliver additional Eligible Collateral having a Market Value equal to or greater than the deficiency on the Business Day the incremental Deposits are received.

(iv) Depositor agrees that, with respect to Eligible Collateral held with FHLB or FRB, and/or The Bank of New York Mellon Trust Company, N.A. as Custodian, Depositor authorizes Custodian as its agent to approve substitutions of Eligible Collateral ("Substitute Collateral") supplied to Custodian by Bank for Eligible Collateral in the Account upon receipt of Written Instructions from Bank identifying the Eligible Collateral to be substituted.

- (c) For any changes made to the Eligible Collateral held in the Account due to releases, substitutions, or additions of Eligible Collateral, the Custodian shall update its records of the Account accordingly as soon as possible and promptly issue a Trust Receipt to the Depositor and the Bank.
- (d) The Bank shall be entitled to income on Securities held by the Custodian in the Account, and the Custodian may dispose of such income as directed by Bank without approval of the Depositor, to the extent such income is not needed to meet the Collateral Requirement.

3. **Custody of Securities.** The parties agree that all Securities held in the Account shall be treated as financial assets. For purposes of the Code, the security interest granted by Bank in the Eligible Collateral and Proceeds for the benefit of the Depositor is created, attaches, and is perfected for all purposes under Texas law from the time Custodian identifies the pledge of any Eligible Collateral or Proceeds to the Depositor and issues a Trust Receipt to the Depositor for such Eligible Collateral or Proceeds. The security interest of the Depositor in Securities and all Proceeds shall terminate upon the transfer of such Securities or Proceeds from the Account.

4. **Delivery of Securities.** Bank and Depositor agree that Securities and Proceeds delivered to or received by Custodian for deposit in the Account may be in the form of credits to the accounts of Custodian in the Book Entry System. Bank and Depositor authorize Custodian on a continuous and ongoing basis to deposit in the Book Entry System all Securities and Proceeds that may be deposited therein and to utilize the Book Entry System in connection with its performance under

this Agreement. Securities and Proceeds credited to the Account and deposited in the Book Entry System will be represented in accounts that include only assets held by Custodian or its agent(s) for third parties, including but not limited to accounts in which assets are held in a fiduciary, agency, or representative capacity.

The Bank acknowledges that to the extent permitted by law, the records of the Bank and/or the Custodian with respect to the pledge of Eligible Collateral as described in this Agreement: (a) may be inspected by the Depositor or by the Texas Comptroller of Public Accounts (the "Comptroller"), at any time during regular business hours of the Bank or the Custodian; (b) such records may be subject to audit or inspection at any time pursuant to Sections 2257.025 and 2257.061 of the Texas Government Code, as amended; and (c) reports must be filed by the Custodian with the Comptroller when requested by the Comptroller.

5. **Collection of Securities.** If Depositor certifies in writing to Custodian that (a) Bank is in default under any underlying pledge or security agreement between Depositor and Bank, including the Depository Agreement and (b) Depositor has satisfied any notice or other requirement to which Depositor is subject pursuant to the Depository Agreement, then Depositor may give Custodian and any appointed receiver Written Instructions to transfer the value of specific amounts and issues of Securities held in the Account and, if applicable, specific amounts of the Proceeds held in the Account which have not previously been released to Bank, up to the amount that Depositor has in its depository account with Bank as of the date the Bank default occurs, to designated accounts of Depositor and to cease releasing to an account of Bank any Proceeds reflecting the interest and principal on Securities in the Account as provided in Section 2(d).

6. **Representation and Warranties.**

(a) **Representations of Bank.** Bank represents and warrants, which representations and warranties shall be deemed to be continuing, that:

(i) the Board of Directors of the Bank has authorized the Bank to enter into this Agreement, and such authorization is reflected in the approving resolution of the Bank's Board of Directors and in the minutes of the meeting of the Board of Directors at which this Agreement was approved, and this Agreement has been legally and validly entered into and is enforceable against Bank in accordance with its terms;

(ii) this Agreement and the pledge of Eligible Collateral under this Agreement do not violate or contravene the terms of the Bank's charter documents, by-laws, or any agreement or instrument binding on the Bank or its property, or any statute or regulation applicable to the Bank;

(iii) the Bank has entered into this Agreement and the Depository Agreement (A) in the ordinary course of business, (B) in good faith and on an arm's-length basis with the Depositor, (C) not in contemplation of bankruptcy or insolvency, and (D) without intent to hinder, delay, or defraud the Bank's creditors;

(iv) a copy of each of (A) this Agreement, (B) the Depository Agreement, and (C) the resolution of the Board of Directors of the Bank approving this Agreement and the minutes of the meeting of the Board of Directors at which this Agreement was approved, have been placed (and will be continuously maintained) in the official records of the Bank;

- (v) the Bank is sole legal and actual owner of the Securities or of beneficial interests in Securities deposited in the Account, free of all security interests or other encumbrances, except the security interest created by this Agreement;
  - (vi) this Agreement was executed by an officer of Bank who was authorized by the Bank's Board of Directors to do so;
  - (vii) the Bank is a bank or trust company duly authorized to do business in the State of Texas; and
  - (viii) all acts, conditions, and things required to exist, happen, or to be performed on its part precedent to and in the execution and delivery of this Agreement by it exist or have happened or have been performed.
- (b) Representations of Depositor. Depositor represents and warrants, which representations and warranties shall be deemed to be continuing, that:
- (i) this Agreement has been legally and validly entered into, has been approved by the Depositor's governing body, and does not and will not violate any statute or regulation applicable to it and is enforceable against Depositor in accordance with its terms;
  - (ii) the appointment of Custodian has been duly authorized by Depositor and this Agreement was executed by an officer of Depositor duly authorized to do so;
  - (iii) (A) all Securities identified on the Schedule of Eligible Collateral, attached hereto as Exhibit A, may be used to secure Depositor's Uninsured Deposits under applicable statutes and regulations, (B) the Collateral Requirement meets the requirements of such applicable statutes and regulations, (C) the governing board of Depositor has approved a collateral policy which authorizes all such Securities to be used as Eligible Collateral, and (D) such collateral policy complies with all applicable statutes and regulations;
  - (iv) it will not sell, transfer, assign, convey, pledge, or otherwise dispose in whole or in part its interests in or the rights with respect to any Securities deposited in the Account, or the Proceeds of such Securities, except as permitted in Section 5 of this Agreement;
  - (v) all acts, conditions, and things required to exist, happen, or to be performed on its part precedent to and in the execution and delivery of this Agreement exist or have happened or have been performed;
  - (vi) Depositor will comply with the terms of any other agreements it may have with the Bank in connection with this Agreement; and
  - (vii) In the event Depositor requests any financial services from the Bank other than depository services, the Depositor shall provide the Bank with a copy of the Depositor's current investment policy.

7. **Continuing Agreement.** This Agreement shall continue and remain in full force and effect and shall be binding upon the Bank and its successors and assigns until such time as (a) all Deposits have been paid in full to the Depositor or otherwise paid as instructed by the Depositor, and (b) the Depository Agreement is no longer in effect.

8. **Rights and Remedies of the Depositor.** The Depositor's rights and remedies with respect to the Collateral shall be those of a secured party under the Code and under any other applicable law, as the same may from time to time be in effect, in addition to those rights granted in this Agreement, in the Depository Agreement, and in any other agreement in effect between the Bank and the Depositor. The Depositor agrees to provide the Bank and the Custodian with reasonable notice of the sale, disposition, or other intended action subject to the provisions of this Agreement in connection with the Collateral, whether required by the Code or otherwise.

9. **Application of Proceeds by the Depositor.** In the event the Depositor requests that the Custodian and receiver sell or otherwise dispose of the Collateral in the course of exercising the remedies provided for in Section 5 above and in the Depository Agreement, any amounts held, realized, or received by the Depositor pursuant to the provisions of this Agreement, including the proceeds of the sale, in whole or in part, of any of the Collateral, shall be applied by the Depositor first toward the payment of any costs and expenses incurred by the Depositor (a) in enforcing this Agreement, (b) in realizing on selling, disposing or protecting any Collateral and (c) in enforcing or collecting any Deposits, including attorneys' fees, and then toward payment of the Deposits in such order or manner as the Depositor may elect. Any Collateral remaining after such application and after payment to the Depositor of all the Deposits in full shall be paid or delivered to the Bank, its successors or assigns, or as a court of competent jurisdiction may direct.

10. **Notices.** Any communication, notice, or demand to be given under this Agreement shall be duly given when delivered in writing or sent by telex or facsimile to a party at its address indicated below.

If to the Depositor, at:

Jonny F. Hipp, Administrator/Chief Executive Officer  
Nueces County Hospital District  
555 N. Carancahua Street, Suite 950  
Corpus Christi, Texas 78401  
[jonny.hipp@nchdcc.org](mailto:jonny.hipp@nchdcc.org)

With a copy to:

Donna Littlefield, Director of Accounting  
Nueces County Hospital District  
555 N Carancahua Street, Suite 950  
Corpus Christi, TX 78401  
[donna.littlefield@nchdcc.org](mailto:donna.littlefield@nchdcc.org)

If to the Bank, at:

Kyle Broughton, Assistant Vice President  
Frost Bank  
501 S. Shoreline Blvd  
Corpus Christi, Texas 78401  
[kyle.broughton@frostbank.com](mailto:kyle.broughton@frostbank.com)

**11. Miscellaneous.**

- (a) Updating Certificate of Authorized Persons. Depositor agrees to furnish to Bank a new and updated "Certificate of Authorized Persons" substantially in the form of Exhibit B, attached hereto, or in similar form as Bank may require, within a reasonable amount of time after there are additions or deletions to list of Authorized Persons authorized to act on behalf of the Depositor.
- (b) Invalidity; Severability. If any clause or provision of this Agreement is for any reason held to be invalid, illegal or unenforceable, such holding shall not affect the validity, legality or enforceability of the remaining clauses or provisions of this Agreement.
- (c) Amendment. This Agreement may not be amended or modified in any manner except by written agreement executed by all of the parties.
- (d) Assignment and Binding Effect. The Depositor may not assign all or any part of its rights or obligations under the Agreement without the Bank's prior express written consent, which may be withheld in the Bank's sole discretion. The Bank may not assign or delegate all or any part of its rights or obligations under the Agreement, including, without limitation, the performance of the services described herein without the Depositor's prior express written consent, which may be withheld in the Depositor's sole discretion. The Agreement will be binding on and inure to the benefit of the successors and permitted assigns of either party.
- (e) Governing Law; Venue. This Agreement shall be construed in accordance with the substantive laws of the State of Texas, without regard to conflicts of law principles thereof. Bank and Depositor hereby consent to the non-exclusive jurisdiction of a state or federal court situated in Nueces County, Texas, in connection with any dispute arising hereunder. Bank and Depositor hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such proceeding brought in such a court and any claim that such proceeding brought in such a court has been brought in an inconvenient forum.
- (f) Liability of the Parties. The Bank's and Depositor's duties and responsibilities to each other are limited as set forth in this Agreement, except with respect to any provisions of the law which cannot be varied or waived by agreement. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER**

**BANK NOR DEPOSITOR WILL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF REVENUE OR ANTICIPATED PROFITS) OR FOR ANY INDIRECT LOSS THAT THE OTHER PARTY MAY INCUR OR SUFFER IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER (EVEN IF SUCH PARTY HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES), INCLUDING WITHOUT LIMITATION, ATTORNEYS' FEES.**

IN WITNESS WHEREOF, the Bank and Depositor have caused this Agreement to be duly executed  
as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**FROST BANK**

By \_\_\_\_\_  
Name: Kyle Broughton  
Title: Assistant Vice President

DEPOSITOR ACCEPTS AND AGREES as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**NUECES COUNTY HOSPITAL DISTRICT**

By \_\_\_\_\_  
Name: Jonny F. Hipp  
Title: Administrator/Chief Executive Officer

**EXHIBIT A**  
**Schedule of Eligible Collateral**

Eligible Collateral

---

All funds on deposit under the provisions of this agreement shall be continuously secured in accordance with the Texas Public Funds Collateral Act, Chapter 2257 of the Texas Government Code.

The following securities are approved as collateral for **Nueces County Hospital District**:

1. Obligations of the United States or its agencies and instrumentalities, or which are backed by the full faith and credit of the United States;
2. Direct obligations of this state or its agencies and instrumentalities;
3. Obligations of states, agencies, counties, cities, and other political subdivisions of this state or any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent;
4. Obligations with which the principal and interest are unconditionally guaranteed or secured by, or backed by the full faith and credit of this state or the United States or their respective agencies and instrumentalities
5. Obligations of the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association.
6. Obligations of the Government National Mortgage Association.
7. Any obligation of an approved government agency which is considered to be an asset-backed, mortgage-backed, or pooled security.

**EXHIBIT B  
 CERTIFICATE OF AUTHORIZED PERSONS  
 (Depositor)**

The undersigned hereby certifies that he/she is the Administrator/Chief Executive Officer of Nueces County Hospital District (the "Depositor"), and further certifies that the following officers or employees of Depositor, which includes JONNY F. HIPPI, Administrator, Chief Executive Officer, have been duly authorized in conformity with the approval of the Depositor's governing body to deliver Written Instructions to The Federal Reserve Bank, Federal Home Loan Bank and/or The Bank of New York Mellon Trust Company, N.A. ("Custodian") pursuant to the Security Agreement between Depositor and the Bank dated \_\_\_\_\_, and that the signatures appearing opposite their names are true and correct:

<u>Belinda Espinoza</u>	<u>Assistant Administrator</u>	
Name	Title	Signature
_____	_____	_____
Name	Title	Signature
_____	_____	_____
Name	Title	Signature
_____	_____	_____
Name	Title	Signature
_____	_____	_____
Name	Title	Signature
_____	_____	_____
Name	Title	Signature
_____	_____	_____

This certificate supersedes any certificate of authorized individuals you may currently have on file.

By: \_\_\_\_\_  
 Name: Jonny F. Hipp  
 Title: Administrator/Chief Executive Officer  
 Date: \_\_\_\_\_

# Pledgee Agreement Form

To: **Federal Reserve Bank of Boston**  
600 Atlantic Avenue  
Boston, MA 02210  
Attn: Wholesale Operations/Joint Custody

Tel: 800-327-0147, Option #4  
Fax: 877-973-8972  
Date: 4/12/2024

We, the NUECES COUNTY HOSP DIST agree to the terms of **Appendix C** of your *Operating Circular 7*, dated August 19, 2005, as it may be amended from time to time with respect to the account on your books designated \_\_\_\_\_ (4 digit alpha-numeric account number)

We further agree that you may accept par for par substitutions: securities from the Pledgor as a replacement of, or in substitution for, those securities presently held (please check one):

NO (Instructions required for each withdrawal)

YES (Standing approval)

Provided that the replacement or substitution does not reduce the aggregate par amount of securities held in custody for us. (See *Operating Circular 7, Appendix C, Section 4.3.*)

We authorize you to use the following call-back procedure for securities transactions pertaining to this account (please check one):

Three-party call-back

Four-party call-back

We certify that the individuals listed below may take authoritative action on our behalf with respect to the account, including a direction to release collateral from the account. You may rely on the authority of these individuals with respect to the account until we otherwise notify you.

Telephone: (361) 808-3300  
Fax: \_\_\_\_\_

Print Name: Jonny F. Hipp Title: Admin/CEO  
Signature: [Signature] Date: 04/12/2024

Telephone: (361) 808-3300  
Fax: \_\_\_\_\_

Print Name: Belinda Espinoza Title: Admin/Asst  
Signature: [Signature] Date: 4/12/2024

Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Pledgee Agreement  
(page 2 of 2)

Telephone: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

Fax: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

The Undersigned hereby certifies that he/she is the present lawful incumbent of the designated public office.

**Pledgee**

Nueces County Hospital District

Name of governmental unit

555 N. Carancahua Street, Suite 950

Street Address or P.O Box Number

Corpus Christi, Texas 78401

City, State, Zip Code

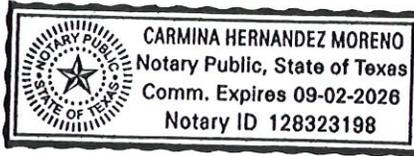
Jonny F Hipp 04/12/2009  
Official Signature/ **Date**

Jonny F. Hipp, Administrator/Chief Ex.

Printed Name and Title

State of TEXAS  
County of NUECES

Notary



On this 12<sup>th</sup> day of April, 2024 before me personally appeared Jonny F. Hipp, to me personally known or satisfactorily proven, who by me duly sworn, did depose and say that he/she resides at 555 N. Carancahua, St. Ste 950, in the City of Corpus Christi, in the State of Texas, that he/she is the Administrator/Chief Executive [Title] of Nueces County Hospital District and that he/she executed this document on behalf of Nueces County Hospital District before me.

[Signature]  
(Signature of Notary)  
Carmina Hernandez Moreno  
(Print name of Notary)

My commission expires on 9/2/2026 [Date]

# SUMMARY OF HOSPITAL DISTRICT DISTRIBUTION RULE, 34 TAC 16.222

## SUMMARY OF RULE:

**Rule 16.222** provides administrative, transparency, oversight, and accountability provisions governing the Texas Opioid Abatement Fund Council's (O AFC) distribution of settlement funds and hospital districts' receipt of those funds. The rule implements part of Senate Bill (SB) 1827, 87th Legislature, Regular Session, requiring a portion of money received from statewide settlement agreements to be distributed to hospital districts.

The rule prioritizes the smallest rural hospital districts by distributing one-time floor payments up front. The rule then shifts distributions to the remaining medium, large, and urban hospital districts.

The rule defines allowable uses of hospital district settlement funds by linking them to O AFC's existing priorities and court orders and settlement agreements, as applicable. The rule allows O AFC to monitor hospital districts' use of funds.

The rule provides accountability by allowing O AFC to cancel distributions if hospital districts fail to use funds for allowable uses, as defined by the rule.

The rule allows the O AFC to instruct the director to provide hospital districts with written notice of failure to comply and opportunities to respond to and cure the alleged failure to comply. The rule also allows O AFC to require hospital districts to refund money they received and enables O AFC to withhold future distribution payments from hospital districts failing to comply with the rules.

## SECTION-BY-SECTION SUMMARY OF THE RULE:

**Rule 16.222** governs O AFC's allocation and distribution of money received from statewide opioid settlement agreements to all hospital districts in Texas under Government Code, 403.508(a)(2), as enacted by Senate Bill 1827, 87th Legislature, R.S., 2021. This provision requires 15 percent of money received from statewide settlement agreements and allocated to the O AFC to be distributed to hospital districts.

**Subsection (a)** requires O AFC to make periodic distributions of money allocated to hospital districts.

**Subsection (b)** describes when money will be distributed to hospital districts by O AFC.

**Subsection (c)** provides that the total amount of each distribution of money to hospital districts will be determined by O AFC.

**Subsection (d)** explains how the initial distribution of money will be allocated to hospital districts—distributing to rural hospital districts first and distributing the remainder to medium, large and urban hospital districts.

**Subsection (e)** describes how subsequent distributions of money will be allocated to the medium, large, and urban hospital districts.

**Subsection (f)** lists the specific hospital districts that will receive money only from the initial distribution by O AFC and the amount of money each of the listed hospital districts will receive from the initial distribution. Under the formula, small rural hospital districts without a hospital will receive \$25,000 and rural hospital districts with a hospital will receive \$75,000.

• Figure 1 lists specific hospital districts that will receive a one-time, lump sum floor distribution.



**Subsection (g)** lists the specific hospital districts that will be distributed money during the subsequent distributions by O AFC and the percentage that will be used to calculate the distribution to each of the listed hospital districts. Under the formula, medium, large, and urban hospital districts will receive a pro rata share of remaining distributions based on their actual or estimated uncompensated care costs attributable to the opioid crisis.

• Figure 2 lists the periodic distribution to medium, large, and urban hospital districts.

**Subsection (h)** allows O AFC to round amounts of money allocated to individual hospital districts down to the nearest whole dollar. It also requires O AFC to retain any remaining money caused by rounding for future allocation to hospital districts.

**Subsection (i)** sets forth the requirements for hospital districts to receive a distribution of money from O AFC.

**Subsection (j)** requires money received by a hospital district to be used by the hospital district to remediate the opioid crisis, including providing assistance in one or more of the categories described in subsection (i)(1)(B):

- treatment and coordination of care;
- prevention and public safety;
- recovery support services; or
- workforce development and training; or
- if a court order or settlement agreement requires the money to be used for one or more specific purposes, for a permissible use provided by that court order or settlement agreement.

**Subsection (k)** allows O AFC to cancel a distribution of money to a hospital district and retain the money for future allocation to hospital districts if the hospital district does not satisfy the requirements to receive a distribution of money from O AFC under subsection (i).

SUMMARY OF HOSPITAL DISTRICT DISTRIBUTION RULE (CONTINUED)

**Subsection (l)** requires a hospital district that receives a distribution of money from OAFIC to submit periodic reports to the OAFIC's director to ensure compliance with the permitted uses of the money distributed. It also allows the OAFIC's director to determine the frequency, format and requirements of the reports.

**Subsection (m)** allows the OAFIC to monitor a hospital district that receives money under this section to ensure compliance with the permissible uses of the money distributed.

**Subsection (n)** allows the OAFIC to take action if it finds that a hospital district has failed to comply with the requirement to use funding to remediate the opioid crisis as provided by Subsection (j). This section allows the council to:

- instruct the OAFIC director to provide the hospital district with written notice of the failure to comply;
- provide the hospital district with an opportunity to respond;
- require the hospital district to cure the failure to comply to the satisfaction of the OAFIC;
- require the hospital district to refund all or a portion of the money the hospital district received under the rule; and
- exercise any other legal remedies available at law.

**Subsection (o)** requires money refunded under Subsection (n) to be retained by the OAFIC for future allocation to hospital districts under the rule.

**Subsection (p)** provides that, except as otherwise provided in this section, this section and Section 16.200 of this subchapter are the only provisions in this subchapter that apply to the allocation of money to hospital districts under Government Code, Section 403.508(a)(2).

FIGURE 1 – GROUP 1: ONE-TIME FLOOR DISTRIBUTION TO SMALL RURAL HOSPITAL DISTRICTS, 34 TAC §16.222(F)

HOSPITAL DISTRICT	DOLLAR AMOUNT
Anson Hospital District	\$75,000
Baylor County Hospital District	\$75,000
Big Bend Regional Hospital District (Presidio County)	\$75,000
Chillicothe Hospital District	\$25,000
Cothran County Hospital District	\$75,000
Farwell Hospital District	\$25,000
Follett Hospital District	\$25,000
Grapeland Hospital District	\$25,000
Hamlin Hospital District	\$25,000
Higgins-Lipscomb Hospital District	\$25,000
Knox County Hospital District	\$75,000
Moore County Hospital District (Sherman County)	\$75,000
Motley County Hospital District	\$25,000
Moulton Community Medical Clinic District	\$25,000
Muleshoe Area Hospital District (Parmer County)	\$75,000
Nixon Hospital District (Gonzales County)	\$25,000
Nixon Hospital District (Wilson County)	\$25,000
Olney-Hamilton Hospital District (Archer County)	\$75,000
Olney-Hamilton Hospital District (Young County)	\$75,000
Rockdale Hospital District	\$25,000
Stamford Hospital District (Haskell County)	\$75,000
Stonewall County Hospital District	\$75,000
Texhoma Memorial Hospital District	\$25,000
Trinity Memorial Hospital District	\$25,000
Yoakum Hospital District (DeWitt County)	\$75,000
Yoakum Hospital District (Gonzales County)	\$75,000

FIGURE 2 – GROUP 2: PERIODIC PRO RATA DISTRIBUTIONS TO MEDIUM, LARGE, AND URBAN HOSPITAL DISTRICTS, 34 TAC §16.222(G)

HOSPITAL DISTRICT	PERCENTAGE
Andrews County Hospital District	0.160436
Angleton-Danbury Hospital District	0.087401
Ballinger Memorial Hospital District	0.048834
Bellville Hospital District	0.030757
Bexar County Hospital District	8.831295
Big Bend Regional Hospital District (Brewster County)	0.086809
Booker Hospital District	0.041340
Bosque County Hospital District	0.109186
Burleson County Hospital District	0.061548
Caprock Hospital District	0.030328
Castro County Hospital District	0.057357
Chambers County Public Hospital District #1	0.050792
Childress County Hospital District	0.085801
Coleman County Hospital District	0.058634
Collingsworth County Hospital District	0.033171
Comanche County Consolidated Hospital District	0.098162
Concho County Hospital District	0.048098
Crane County Hospital District	0.127267
Crosby County Hospital District	0.041915
Culberson County Hospital District	0.106176
Dallam-Hartley Counties Hospital District (Dallam County)	0.082007
Dallam-Hartley Counties Hospital District (Hartley County)	0.057700
Dallas County Hospital District	19.311689
Darrouzett Hospital District	0.010292
Dawson County Hospital District	0.100566
Deaf Smith County Hospital District	0.132610
DeWitt Medical District	0.088160

SUMMARY OF HOSPITAL DISTRICT DISTRIBUTION RULE (CONTINUED)

FIGURE 2 – (CONTINUED)

HOSPITAL DISTRICT	PERCENTAGE		
Dimmit County Regional Hospital District	0.101862	Karnes County Hospital District	0.245865
Donley County Hospital District	0.012935	Kimble County Hospital District	0.057192
East Coke County Hospital District	0.017775	Lavaca Hospital District	0.038789
Eastland Memorial Hospital District	0.080398	Liberty County Hospital District #1	0.097548
Ector County Hospital District	1.389853	Lockney General Hospital District	0.030328
El Paso County Hospital District	4.086865	Lubbock County Hospital District	3.117222
Electra Hospital District	0.057164	Lynn County Hospital District	0.068226
Fairfield Hospital District (Freestone County)	0.075729	Marion County Hospital District	0.013217
Fairfield Hospital District (Navarro County)	0.182265	Martin County Hospital District	0.536509
Fisher County Hospital District	0.036581	Matagorda County Hospital District	0.242180
Foard County Hospital District	0.025084	Maverick County Hospital District	0.230514
Frio Hospital District	0.118072	McCamey County Hospital District	0.195824
Gainesville Hospital District	0.133475	McCulloch County Hospital District	0.096240
Garza County Health Care District	0.020118	Medina County Hospital District	0.137682
Gonzales Healthcare Systems	0.118063	Menard County Hospital District	0.039541
Graham Hospital District	0.068916	Midland County Hospital District	0.930275
Guadalupe Regional Medical Center	0.420866	Mitchell County Hospital District	0.449405
Hall County Hospital District	0.012862	Montgomery County Hospital District	0.799270
Hamilton Hospital District	0.083725	Moore County Hospital District (Hartley County)	0.058939
Hansford County Hospital District	0.066245	Moore County Hospital District (Moore County)	0.113487
Hardeman County Hospital District	0.043279	Muenster Hospital District	0.044014
Harris County Hospital District	24.079880	Muleshoe Area Hospital District (Bailey County)	0.042112
Haskell County Hospital District	0.040501	Nacogdoches County Hospital District	0.279208
Hemphill County Hospital District	0.216620	Nocona Hospital District	0.040821
Hopkins County Hospital District	0.313847	Nolan County Hospital District	0.095098
Houston County Hospital District	0.068250	North Runnels County Hospital District	0.048564
Hunt Memorial Hospital District	0.632366	North Wheeler County Hospital District	0.045530
Hutchinson County Hospital District	0.123171	Nueces County Hospital District	3.578256
Iraan General Hospital District	0.163113	Ochiltree County Hospital District	0.051051
Jack County Hospital District	0.084793	Palo Pinto County Hospital District	0.225589
Jackson County Hospital District	0.090823	Parker County Hospital District	0.525020
		Parmer County Hospital District	0.056361
		Rankin County Hospital District	0.329975
		Reagan Hospital District	0.240518
		Reeves County Hospital District	1.638256
		Refugio County Memorial Hospital District	0.072700
		Rice Hospital District	0.072287
		Sabine County Hospital District	0.046051
		San Augustine City-County Hospital District	0.040244
		Schleicher County Hospital District	0.103173
		Scurry County Hospital District	0.235290
		Seminole Hospital District	0.219679
		Shackelford County Hospital District	0.039956
		Somervell County Hospital District	0.126352
		South Limestone Hospital District	0.057054
		South Randall County Hospital District	0.023023
		South Wheeler County Hospital District	0.068073
		Stamford Hospital District (Jones County)	0.045020
		Starr County Hospital District	0.118579
		Stephens Memorial Hospital District	0.054833
		Stratford Hospital District	0.028007
		Sutton County Hospital District	0.040993
		Sweeney Hospital District	0.286515
		Swisher Memorial Hospital District	0.044587
		Tarrant County Hospital District	11.563455
		Teague Hospital District	0.013292
		Terry Memorial Hospital District	0.078520
		Titus County Hospital District	0.216698
		Travis County Hospital District	7.332843
		Tyler County Hospital District	0.071789
		Val Verde County Hospital District	0.367525
		Walker County Hospital District	0.330399
		West Coke County Hospital District	0.022889
		West Wharton County Hospital District	0.123683
		Wilbarger County Hospital District	0.104538
		Willacy County Hospital District	0.016233
		Wilson County Memorial Hospital District	0.084803
		Winkler County Hospital District	0.094278
		Winnie Stowell Hospital District	0.054735
		Wood County Central Hospital District	0.119451



**Administrative Offices**

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

Office: (361) 808-3300

Fax: (361) 808-3274

[www.nchdcc.org](http://www.nchdcc.org)

**BOARD OF MANAGERS RESOLUTION**

**APRIL 23, 2024**

**AUTHORIZE ADMINISTRATOR TO ACT ON BEHALF OF  
NUECES COUNTY HOSPITAL DISTRICT  
IN ALL MATTERS RELATING TO FUNDS DISTRIBUTED BY THE  
TEXAS OPIOID ABATEMENT FUND COUNCIL**

**WHEREAS**, the Nueces County Hospital District (“Hospital District” or “District”) is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (the “Health Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas, including Texas Government Code, §403.508(a)(2) and 34 Texas Administrative Code, §16.222 relating to the distribution of opioid settlement funds and hospital districts’ receipt of those funds;

WHEREAS, Texas Government Code, §403 *et seq.* added by Acts 2021, 87th Legislature, Regular Session, Chapter 781 (S.B. 1827), effective June 16, 2021 and 34 Texas Administrative Code, §16.222 adopted to be effective March 18, 2024 at *49 Texas Register 1735*;

**WHEREAS**, the Hospital District’s Board of Managers (“Board”) have been duly appointed pursuant to Health Code, § 281.021(a); and pursuant to the collective authorities of Health Code, § 281.047 and § 281.048, the Board is the District’s governing body and the Board has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the District;

**WHEREAS**, the Hospital District suffered and continues to suffer harm as a result of the ongoing opioid epidemic and, accordingly, intends to accept money distributed to the Hospital District by the Texas Opioid Abatement Fund Council (“the Council”) under Texas Government Code, §403.508(a)(2) and 34 Texas Administrative Code, §16.222 and use that money to remediate the opioid crisis; and

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**WHEREAS**, 34 Texas Administrative Code, §16.222(i)(1) *et seq.* requires the Hospital District, prior to, and as a condition of, receiving a distribution of opioid settlement funds submit to the Comptroller of Public Accounts a governing body resolution that: (A) designates, by name and title, an authorized official who has the authority to act on behalf of the hospital district in all matters related to the distribution, including the authority to sign all official documents related to the distribution; (B) affirms that the hospital district will use all the opioid settlement funds received by the hospital district; and (C) affirms that, in the event of loss or misuse of grant funds, the hospital district shall return all funds to the opioid settlement fund.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS THAT:**

1. That Mr. Jonny F. Hipp, the Hospital District’s Administrator, has the authority to act on behalf of the District in all matters related to the above-mentioned money distributed by the Council to the District, including the authority to sign all official documents related to the distribution.
2. That all the above-mentioned money received from the Council by the District will be used:
  - a) to remediate the opioid crisis, including providing assistance in one or more of the following categories: treatment and coordination of care; prevention and public safety; recovery support services; or workforce development and training; or
  - b) if a court order or settlement agreement requires the money to be used for one or more specific purposes, for a permissible use provided by that court order or settlement agreement.
3. That the Hospital District will return to the Council all the above-mentioned money received from the Council by the District in the event of loss or misuse of such money.
4. That if there is a change of authorized official, the Hospital District will submit to the director of the Council a new resolution from the District's governing body that contains the information required under 34 Texas Administrative Code, §16.222(i)(1).
5. That this Resolution takes effect immediately after its passage.

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**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

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John E. Valls, M.B.A.  
Chairman

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Vishnu V. Reddy, M.D.  
Vice Chairman

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Sylvia Tryon Oliver  
Member

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Belinda Flores, R.N.  
Member

---

Judge Mariana Garza  
Member

---

Efrain Guerrero, Jr.  
Member

---

Arthur Granado  
Member



5. The attached Resolution 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 Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, 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 Resolution is in full force and effect; that the same has not been rescinded, nor has it been amended or modified in any way.

8.

**IN WITNESS WHEREOF**, I have hereunto signed my name officially and affixed the seal of the Hospital District on this 23<sup>rd</sup> day of April 2024.

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

{HOSPITAL DISTRICT SEAL}

April 5, 2024

Ms. Danielle Converse  
FTZ Manager  
Port of Corpus Christi Authority  
400 Harbor Drive  
Corpus Christi, TX 78401

Dear Ms. Converse:

The purpose of this letter is to document the support of Nueces County Hospital District for Cimbar Resources, Inc.'s application to establish and operate under Foreign Trade Zone designation under the auspices of the Port of Corpus Christi Authority, Grantee of Foreign-Trade Zone #122.

We believe the economic benefit this company brings to our area make it a valuable asset and will have a positive impact upon the local economy, local employment, and economic development in the region.

We understand that imported inventory and inventory held for export in the foreign-trade zone will be exempt from ad valorem tax.

Nueces County Hospital District is fully supportive of the proposed FTZ designation for Cimbar Resources, Inc. and recommends expedited review and approval of the application.

Sincerely,



Jonny F. Hipp, ScD, FACHE  
Administrator/CEO

cc: Nueces County Appraisal District

April 17, 2024

Mr. Kyle Broughton  
Assistant Vice President  
Frost Bank  
501 S. Shoreline Blvd.  
Corpus Christi, Texas 78401

Re: Nueces County Hospital District

Dear Mr. Broughton:

We have not received a response from the bank to our latest revisions to Frost Bank's new Bank Depository agreements. However, The District's depository agreement with Frost Bank was to expire on September 30, 2023. The selection of a Depository by the Hospital District is governed by §281.093, which states that the depository shall serve as a depository until a successor is selected and qualified. Please confirm that Frost Bank will continue serving as Depository for the Hospital District passed the expiration of the Hospital District's current Depository agreement with Frost Bank by your signature below and returning a copy of this letter to the Hospital District. We anticipate that the Bank Depository agreements will be finalized by all parties no later than June 30, 2024.

Thank you very much for your assistance with this matter.

Sincerely,



Jonny F. Hipp, ScD, FACHE  
Administrator/CEO

AGREED:

  
\_\_\_\_\_  
Kyle Broughton

Date signed: 4/17/2024