

Montgomery County Hospital District

Board of Directors

Mission

Our mission is to care for the indigent and provide EMS services while protecting the interest of taxpayers and insurancing long-term stability through fund development.

Our vision is cost effective indigent care and taxpayer supplemented EMS with total professionalism administered through an elected board of directors.

2025 PUBLIC RELEASE
MONTGOMERY COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS

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SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1063. MONTGOMERY COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1063.001. DEFINITIONS. In this chapter:

- (1) "Board" means the board of directors of the district.
- (2) "Director" means a member of the board.
- (3) "District" means the Montgomery County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.002. AUTHORITY FOR OPERATION. The Montgomery County Hospital District operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Montgomery County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1063.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected as follows:

(1) one director elected from each county commissioners precinct; and

(2) three directors elected from the district at large by position.

(b) A district voter may vote on the directors to be elected at large and on the director to be elected from the precinct in which the voter resides.

(c) An election shall be held on the uniform election date in November of each even-numbered year to elect the appropriate number of directors.

(d) Directors serve staggered four-year terms that expire on the last day of December.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 148 (H.B. 389), Sec. 1, eff. September 1, 2015.

Sec. 1063.052. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person:

(1) is more than 21 years of age at the time of the appointment or election;

(2) is a resident of the district; and

(3) is a qualified voter.

(b) A director who represents a county commissioners precinct must be a resident of that precinct.

(c) A person may not be elected or appointed as a director if the person holds another appointed or elected public office of honor, trust, or profit.

(d) A person who holds another public office of honor, trust, or profit and seeks to be appointed or elected as a director automatically vacates the first office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

- (1) signed by at least 10 registered voters; and
- (2) filed by the deadline imposed by Section 144.005, Election

Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 138 (H.B. 977), Sec. 1, eff. September 1, 2021.

Sec. 1063.054. NOTICE OF ELECTION. At least 10 days before the date of a regular election of directors, notice of the election shall be published one time in a newspaper of general circulation in Montgomery County.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.055. RUNOFF ELECTION. (a) If no candidate for a particular director position at a regular directors' election receives a majority of the votes of the voters voting in that race, the board shall order a runoff election.

(b) At least seven days before the date of a runoff election, the board shall publish notice of the election one time in a newspaper or newspapers that individually or collectively have general circulation in the area of the runoff election.

(c) Of the names printed on the ballot at a runoff election, the name of the candidate who received the higher number of votes at the general election of directors must be printed first on the ballot.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.056. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a district voter or taxpayer, may order the directors to hold the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.057. OFFICERS. The board shall elect from among its members a presiding officer, assistant presiding officer, treasurer, and secretary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.058. COMPENSATION. A director serves without compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.059. BOND; RECORD OF BOND. (a) Each director shall execute a good and sufficient bond for \$1,000 that is:

- (1) payable to the district; and
- (2) conditioned on the faithful performance of the director's duties.

(b) Each director's bond shall be deposited with the district's depository bank for safekeeping.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.060. VOTING REQUIREMENT. A concurrence of a majority of the directors present is sufficient in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.061. CALLING MEETINGS. The presiding officer or any four directors may call a board meeting.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.062. CHIEF ADMINISTRATIVE OFFICER; ASSISTANT ADMINISTRATOR.

(a) The board shall appoint a qualified person as the district's chief administrative officer. That officer shall be known as the district president or by another title selected by the board.

(b) The board may appoint one or more assistant administrators. An assistant administrator shall be known as the district vice president or by another title selected by the board.

(c) The chief administrative officer and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.063. GENERAL DUTIES OF CHIEF ADMINISTRATIVE OFFICER.

Subject to the limitations prescribed by the board, the chief administrative officer shall:

- (1) supervise the work and activities of the district; and
- (2) direct the affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.064. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as warranted.

(b) The district may employ fiscal agents, accountants, architects, and attorneys the board considers proper.

(c) The board may delegate to the chief administrative officer the authority to hire district employees, including technicians and nurses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.065. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1063.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district may not impose a tax or issue bonds or other obligations for hospital or health care purposes or to provide medical care for district residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the health care or hospital system and the district's money and resources.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.104. HEALTH CARE OR HOSPITAL SYSTEM. (a) The district shall provide for:

- (1) the establishment of a health care or hospital system by:
 - (A) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment; and
 - (B) equipping the buildings; and
- (2) the administration of the system for health care or hospital purposes.

(b) The health care or hospital system may include:

- (1) domiciliary care and treatment of the sick, injured, or geriatric;
- (2) hospitals;
- (3) outpatient clinics;
- (4) dispensaries;
- (5) convalescent home facilities;
- (6) necessary nurses;
- (7) domiciliaries and training centers;
- (8) blood banks;
- (9) community mental health centers;
- (10) research centers or laboratories;
- (11) ambulance services; and
- (12) any other facilities the board considers necessary for health or hospital care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.105. RULES. The board may adopt rules governing the operation of the hospital, the health care or hospital system, and the district's staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

- (1) the method and manner of making purchases and expenditures by and for the district; and
- (2) all accounting and control procedures.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings required to maintain an adequate health care or hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. Except as provided by Subsection (c), the term of a lease may not exceed 25 years from the date entered.

(c) District land may not be leased for a period exceeding 25 years unless the board:

(1) finds that the land is not necessary for health care or hospital purposes;

(2) complies with any indenture securing the payment of district bonds; and

(3) receives not less than the current market value for the lease.

(d) The district may acquire equipment for use in the district's health care or hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(e) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants. The board must comply with Section 272.001, Local Government Code, when selling district land other than land the district is authorized to sell or exchange under Subsection (f).

(f) The district may sell or exchange a hospital, including real property necessary or convenient for the operation of the hospital and real property that the board finds may be useful in connection with future expansions of the hospital, on terms the board determines to be in the district's best interests. The district must comply with the procedures prescribed by Sections 285.051 and 285.052, Health and Safety Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.108. TAKEOVER OF NONPROFIT HOSPITAL PROPERTY. The district may take over and may accept title to land, buildings, improvements, and

equipment of a nonprofit hospital in the district if the governing authority of the hospital and district agree to the transfer.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires the relocation, raising, lowering, rerouting, or change in grade or alteration in the construction of any railroad, electric transmission, telegraph or telephone lines, conduits, poles, or facilities or pipelines, the board must bear the actual cost of the relocation, raising, lowering, rerouting, or change in grade or alteration of construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.112. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 148 (H.B. 389), Sec. 2, eff. September 1, 2015.

Sec. 1063.113. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.115. CONTRACTS FOR HEALTH CARE SERVICES. (a) As permitted by the Texas Constitution and Chapter 61, Health and Safety Code, the district may:

- (1) enter into a contract relating to the provision of health care services on terms the board determines to be in the district's best interests; and
- (2) make payments under the contract.

(b) The term of a contract under this section may not exceed 15 years.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.116. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the medical, health care, hospital, or welfare needs of district inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.117. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the chief administrative officer may have an inquiry made into the circumstances of:

- (1) the patient; and
- (2) the patient's relatives who are legally liable for the patient's support.

(b) If the chief administrative officer determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the district facility, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the chief administrative officer determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The chief administrative officer may collect the amount from the estate of the patient, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the chief administrative officer, the board shall hold a hearing and, after calling witnesses, shall:

- (1) resolve the dispute or doubt; and
- (2) issue any appropriate orders.

(f) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.1175. ADDITIONAL POWERS RELATED TO INDIGENT HEALTH CARE. In addition to the powers otherwise provided by this chapter, the district may exercise any power granted to a county or a public hospital by Sections 61.035, 61.057, 61.058, and 61.059, Health and Safety Code, as those sections existed on September 30, 2009, including the power to require a person to comply with a corresponding duty.

Added by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 22.007(a), eff. September 1, 2011.

Sec. 1063.118. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute or cause to be contributed available funds to the corporation. A corporation under this section must be a nonmember, nonstock corporation.

(b) The board of directors of the corporation shall be composed of seven district residents appointed by the district's board. The district's board may remove any director of the corporation at any time with or without cause.

(c) The corporation may use money, other than money the corporation pays to the district, only to provide or pay the costs of providing or costs related to providing indigent health care or other services the district is required or authorized to provide under the constitution or state law.

(d) The district's board shall establish controls to ensure that the corporation uses its money as required by Subsection (c).

(e) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.119. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1063.151. BUDGET. (a) The chief administrative officer shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

- (1) the outstanding obligations of the district;
- (2) the cash on hand in each district fund;
- (3) the money received by the district from all sources during the previous year;
- (4) the money available to the district from all sources during the ensuing year;
- (5) the balances expected at the end of the year in which the budget is being prepared;
- (6) the estimated revenue and balances available to cover the proposed budget; and
- (7) the estimated tax rate required.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published one time at least 10 days before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the chief administrative officer. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that district revenue bonds are outstanding;

or

(2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.156. AUDIT. The board shall have an audit made of the district's financial condition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.158. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the chief administrative officer shall prepare for the board:

- (1) a complete sworn statement of all district money; and
- (2) a complete account of the disbursements of district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1063.160, and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security in an amount sufficient to secure from loss the amount of district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1063.107(d) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1063.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for health care or hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1063.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each \$100 valuation of all taxable property in the district subject to hospital district taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters.

(b) The election order must provide for clerks as in county elections and must specify:

(1) the date of the election;

(2) the location of the polling places;

(3) the presiding and alternate election judges for each polling place;

(4) the amount of the bonds to be authorized; and

(5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.206. REVENUE BONDS. (a) The district may issue revenue bonds or certificates of obligation or may incur or assume any other debt only if authorized by a majority of the district voters voting in an election held for that purpose. This subsection does not apply to refunding bonds or other debt incurred solely to refinance an outstanding debt.

(b) The board may issue revenue bonds to:

- (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for health care or hospital purposes; or
- (2) acquire sites to be used for health care or hospital purposes.

(c) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital or health care facilities.

(d) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property.

(e) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer and issuance of the bonds; and

(3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.209. TAX ANTICIPATION NOTES. (a) The board may:

(1) declare an emergency because money is not available to:

(A) pay the principal of and interest on any district bonds payable wholly or partly from taxes; or

(B) meet any other needs of the district; and

(2) issue negotiable tax anticipation notes to borrow the money the district needs.

(b) Tax anticipation notes may be issued for any purpose for which the district may impose taxes.

(c) Tax anticipation notes may bear interest at any rate or rates authorized by law.

(d) Tax anticipation notes must mature not later than one year after the date of issuance.

(e) Tax anticipation notes must be secured by the proceeds of taxes to be imposed by the district in the succeeding 12-month period.

(f) The board may covenant with the note purchasers that the board will impose a sufficient tax in the following fiscal year to pay the principal of and interest on the notes and pay the costs of collecting the taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.210. CERTIFICATES OF OBLIGATION. (a) The district may issue and sell certificates of obligation for a purpose permitted under this chapter.

(b) The certificates of obligation must be issued and sold in conformity with and in the manner specified for a municipality or county by Subchapter C, Chapter 271, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1063.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose an ad valorem tax on all taxable property in the district subject to district taxation.

(b) The board shall impose the tax to pay:

- (1) indebtedness issued or assumed by the district; and
- (2) the maintenance and operating expenses of the district.

(c) The board may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each \$100 valuation of taxable property in the district subject to district taxation.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have district taxes assessed and collected under Section 1063.254.

(b) The tax assessor-collector of Montgomery County shall assess and collect taxes imposed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.254. ASSESSMENT AND COLLECTION BY APPOINTMENT OR CONTRACT.

(a) The board may elect to:

- (1) appoint a tax assessor-collector to assess and collect district taxes; or
- (2) contract for the assessment and collection of taxes as provided by the Tax Code.

(b) An election under this section must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(c) The board shall set for the appointed tax assessor-collector:

- (1) the term of employment; and
- (2) compensation.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER G. DISSOLUTION

Sec. 1063.301. DISSOLUTION ELECTION; PETITION. (a) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(b) The board shall order an election on the question of dissolving the district and disposing of the district's assets and obligations if the board receives a petition by district residents requesting an election that:

- (1) is certified as valid by the Montgomery County elections administrator under Section 1063.302; or
- (2) the Montgomery County elections administrator fails to act on within the time allowed by Section 1063.302.

(c) A petition requesting an election must:

- (1) state that it is intended to request an election in the district on the question of dissolving the district and disposing of the district's assets and obligations;
- (2) be signed by a number of district residents equal to at least 15 percent of the total vote received by all candidates for governor in the most recent gubernatorial general election in the district that occurs more than 30 days before the date the petition is submitted; and
- (3) be submitted to the Montgomery County elections administrator.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.302. VALIDITY OF PETITION FOR ELECTION. (a) Not later than the 30th day after the date a petition requesting the dissolution of the district is submitted under Section 1063.301, the Montgomery County elections administrator shall:

- (1) determine whether the petition is valid; and
- (2) certify the determination of the petition's validity to the board.

(b) If the elections administrator fails to act within the time allowed, the petition is treated as if it had been found valid.

(c) If a petition submitted under Section 1063.301 does not contain the necessary number of valid signatures, the district residents may not submit another petition under Section 1063.301 before the third anniversary of the date the invalid petition was submitted.

(d) The district shall reimburse the county elections administrator for reasonable costs incurred in performing the duties required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.303. ELECTION DATE. An election under this subchapter shall be held on the earlier of the following dates that occurs at least 90 days after the date on which the election is ordered:

- (1) the uniform election date in May; or
- (2) the date of the general election for state and county officers.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.304. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Montgomery County Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.305. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before:

(1) the fourth anniversary of the date of the most recent election to dissolve the district if the board called the election under Section 1063.301(a); or

(2) the third anniversary of the date of the most recent election to dissolve the district if the board called the election under Section 1063.301(b).

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.306. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS IF ELECTION INITIATED BY BOARD. (a) This section, Section 1063.307, and Section 1063.308 apply to an election called under Section 1063.301(a).

(b) If a majority of the votes in the election favor dissolution, the board shall:

(1) transfer the ambulance service and related equipment, any vehicles, and any mobile clinics and related equipment that belong to the district to Montgomery County not later than the 45th day after the date on which the election is held; and

(2) transfer the land, buildings, improvements, equipment not described by Subdivision (1), and other assets that belong to the district to Montgomery County or administer the property, assets, and debts in accordance with Subsection (e) and Sections 1063.307 and 1063.308.

(c) The county assumes all debts and obligations of the district relating to the ambulance service and related equipment, any vehicles, and any mobile clinics and related equipment at the time of the transfer.

(d) If the district makes the transfer under Subsection (b)(2), the county assumes all debts and obligations of the district relating to those assets at the time of the transfer, and the district is dissolved.

(e) If the board finds that the district is dissolved but does not transfer the land, buildings, improvements, equipment, and other assets to Montgomery County under Subsection (b)(2), the board shall continue to control and administer that property and those assets and the related

district debts until all money has been disposed of and all district debts have been paid or settled.

(f) The county shall use all transferred assets to:

- (1) pay the outstanding debts and obligations of the district relating to the assets at the time of the transfer; or
- (2) provide medical and hospital care for needy county residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a)

After the board finds that the district is dissolved, the board shall:

- (1) determine the debt owed by the district; and
- (2) impose on the property included on the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return:

- (1) to each district taxpayer the taxpayer's pro rata share of all unused tax money; and
- (2) to Montgomery County all unused district money from any other source.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to send the money to the county tax assessor-collector.

(d) Montgomery County shall use unused district money received under this section to provide medical and hospital care for needy county residents.

(e) The board may institute a suit to enforce payment of taxes under this section and to foreclose liens to secure the payment of the taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Montgomery County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Montgomery County receives the report and determines that the

requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1063.309. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS IF ELECTION INITIATED BY DISTRICT PETITION. (a) This section applies to an election called under Section 1063.301(b).

(b) If a majority of the votes in the election favor dissolution, the board shall transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Montgomery County not later than the 45th day after the date on which the election is held.

(c) The county assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(d) The county should use all transferred assets in a manner that benefits county residents residing in territory formerly constituting the district.

(e) The county shall use all transferred assets to:

- (1) pay the outstanding debts and obligations of the district relating to the assets at the time of the transfer; or
- (2) provide medical and hospital care for needy county residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.



U.S. Department of Justice
Civil Rights Division

TCH:RSB:JBG:EEK:par
DJ 166-012-3
2011-4416

*Voting Section - NWB
950 Pennsylvania Avenue, NW
Washington, DC 20530*

December 7, 2011

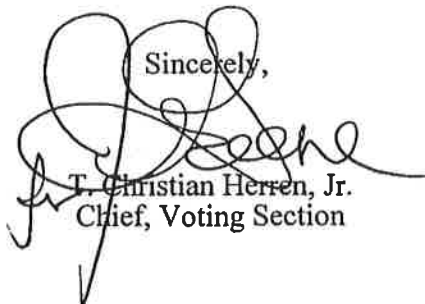
J. Greg Hudson, Esq.
Hudson & O'Leary
1010 MoPac Circle, Suite 201
Austin, Texas 78746

Dear Mr. Hudson:

This refers to the change in general election date from May to November, a one-time extension in terms of office and implementation schedule for the Montgomery County Hospital District in Montgomery County, Texas, submitted to the Attorney General pursuant to Section 5 of the Voting Rights Act of 1965, 42 U.S.C. 1973c. We received your submission on October 20, 2011.

The Attorney General does not interpose any objection to the specified changes. However, we note that Section 5 expressly provides that the failure of the Attorney General to object does not bar subsequent litigation to enjoin the enforcement of the changes. Procedures for the Administration of Section 5 of the Voting Rights Act of 1965, 28 C.F.R. 51.41.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Christian Herren, Jr.", written over the typed name and title.

T. Christian Herren, Jr.
Chief, Voting Section

Bylaws of the Governing Board

Montgomery County Hospital District

Amended on 10/26, 2021

BYLAWS OF THE BOARD OF DIRECTORS

**BYLAWS OF THE BOARD OF DIRECTORS
MONTGOMERY COUNTY HOSPITAL DISTRICT**

WHEREAS, under the provisions of Article IX, Section 9, of the Texas Constitution, the 65th Legislature of the State of Texas created the Montgomery County Hospital District (Section 4 Chapter 258, Acts of the 65th Legislature of the State of Texas, as amended); now codified in Chapter 1063 of the Texas Special Local Laws Code; and

AND WHEREAS, the duly elected Board of Directors of the District, adopted Bylaws governing the procedures and conduct of the Board in the operations of Medical Center Hospital which were adopted January 1982; and


AND WHEREAS, the Board has from time to time reviewed the Bvlaws and made amendments thereto consistent with the operation of the Hospital District, the most recent amendment being approved on December 15, 2015; and


AND WHEREAS, it is the judgment of the Board that such amended Bylaws should be revised and amended;

NOW THEREFORE, the undersigned duly elected, acting and qualified DIRECTORS adopt the following Bylaws as revised and amended for governing of the BOARD OF DIRECTORS OF MONTGOMERY COUNTY HOSPITAL DISTRICT.


Georgette Whatley, Chairperson

Bob Bagley, Vice Chairman


Sandy Wagner, Secretary


Chris Grice, Treasurer


Brad Spratt, Member

Justin Chance, Member

Brent Thor, Member

Revised/Amended/Date

BYLAWS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT

WHEREAS, under the provisions of Article IX, Section 9, of the Texas Constitution, the 65th Legislature of the State of Texas created the Montgomery County Hospital District (Section 4 Chapter 258, Acts of the 65th Legislature of the State of Texas, as amended);

AND WHEREAS, the duly elected Board of Directors of the District, adopted Bylaws governing the procedures and conduct of the Board in the operations of Medical Center Hospital;

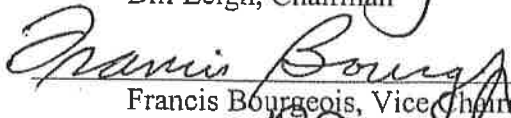
AND WHEREAS, the Board has reviewed the Bylaws adopted January, 1982;

AND WHEREAS, it is the judgment of the Board that such Bylaws should be revised and amended;

NOW, THEREFORE, the undersigned duly elected, acting and qualified DIRECTORS adopt the following Bylaws as revised and amended for governing of the BOARD OF DIRECTORS OF MONTGOMERY COUNTY HOSPITAL DISTRICT.



Bill Leigh, Chairman



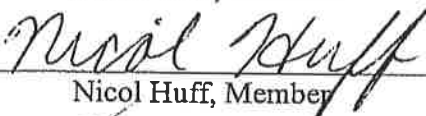
Francis Bourgeois, Vice Chairman



Eric Yollick, Secretary



David Witt, Treasurer



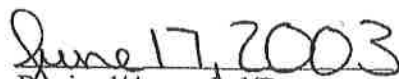
Nicol Huff, Member



Jack Mitchell, Member

, Member (Vacant)

Adopted/Date



Revised/Amended/Date

BYLAWS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT

WHEREAS, under the provisions of Article IX, Section 9, of the Texas Constitution, the 65th Legislature of the State of Texas created the Montgomery County Hospital District (Section 4 Chapter 258, Acts of the 65th Legislature of the State of Texas, as amended);

AND WHEREAS, the duly elected Board of Directors of the District, adopted Bylaws governing the procedures and conduct of the Board in the operations of Medical Center Hospital;

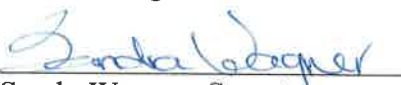
AND WEHREAS, the Board has review the Bylaws adopted January, 1982:

AND WHEREAS, it is the judgment of the Board that such Bylaws should be revised and amended:

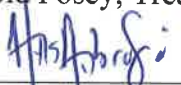
NOW THEREFORE, the undersigned duly elected, acting and qualified DIRECTORS adopt the following Bylaws as revised and amended for governing of the BOARD OF DIRECTOS OF MONTGOMERY COUNTY HOSPITAL DISTRICT.



Georgette Whatley, Chairman


NOT PRESENT
John Hennigan, Vice Chairman


Sandy Wagner, Secretary

NOT PRESENT
Harold Posey, Treasurer


Hans Ambrosia, Member


Bob Bagley, Member


Kenn Fawn, Member

Adopted/Date

7/27/2010
Revised/Amended Date

BYLAWS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT

WHEREAS, under the provisions of Article IX, Section 9, of the Texas Constitution, the 65th Legislature of the State of Texas created the Montgomery County Hospital District (Section 4 Chapter 258, Acts of the 65th Legislature of the State of Texas, as amended);

AND WHEREAS, the duly elected Board of Directors of the District, adopted Bylaws governing the procedures and conduct of the Board in the operations of Medical Center Hospital;

AND WEHREAS, the Board has review the Bylaws adopted January, 1982:

AND WHEREAS, it is the judgment of the Board that such Bylaws should be revised and amended:

NOW THEREFORE, the undersigned duly elected, acting and qualified DIRECTORS adopt the following Bylaws as revised and amended for governing of the BOARD OF DIRECTORS OF MONTGOMERY COUNTY HOSPITAL DISTRICT.

Georgette Whatley
Georgette Whatley, Chairman

Bob Bagley
Bob Bagley, Vice Chairman

Sandy Wagner
Sandy Wagner, Secretary

Harold E. Posey *opposed*
Harold Posey, Treasurer

Hans Ambrosia
Hans Ambrosia, Member

Mark Cole *- opposed*
Mark Cole, Member

Kenn Fawn *- opposed*
Kenn Fawn, Member

Adopted/Date

May 22, 2012
Revised/Amended Date

IV / 6
Article No./Section No.

BY-LAWS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT

WHEREAS, under the provisions of Article IX, Section 9, of the Texas Constitution, the 65th Legislature of the State of Texas created the Montgomery County Hospital District (Section 4 Chapter 258, Acts of the 65th Legislature of the State of Texas, as amended);

AND WHEREAS, the duly-elected Board of Directors of the District, adopted by-laws governing the procedures and conduct of the Board in the operations of Medical Center Hospital;


AND WHEREAS, the Board has reviewed the by-laws adopted January, 1982;

AND WHEREAS, it is the judgment of the Board that such by-laws should be revised and amended:

NOW THEREFORE, the undersigned duly elected, acting and qualified DIRECTORS adopt the following by-laws as revised and amended for governing of the BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT.


Kenn Fawn, Chairman

~~NOT PRESENT~~
Mark Cole, Vice-Chairman

~~
Sandy Wagner, Secretary~~


Harold Posey, Treasurer

~~NOT PRESENT~~
Hans Ambrosia, Member

~~
Bob Bagley, Member~~


Georgette Whatley, Member

Adopted/Date

SEPTEMBER 10, 2013
Revised/Amended/Date

ARTICLE 1. NAME AND PURPOSE

- Section 1. Name. The organization shall be known as the Montgomery County Hospital District ("District").
- Section 2. Purpose. The purpose of the organization shall be to fulfill those purposes under the District's enabling statute found at Chapter 1063 of the Texas Special Local Laws Code ("the Code").

ARTICLE II. BOARD OF DIRECTORS

Section 1. Number of Directors. There shall be seven (7) members elected as directors in accordance with Section 4, Chapter 258, Acts of the 65th Texas Legislature, as amended, now codified in Section 1063.051 of the Texas Special Local Laws Code.

Section 2. Qualifications. To be elected or appointed to the Board, a person must fulfill the following requirements as set out in Sections 1063.052, 1063.058 and 1063.059 of the Code:

- a. Must be a resident of the District, a qualified voter, and shall be more than 21 years of age at the time of the appointment or election.
- b. If representing a county commissioner's precinct, must be a resident of that precinct.
- c. Cannot hold another elected or appointed public office of honor, trust or profit. A person holding another public office of honor, trust or profit who seeks to be appointed or elected a director must vacate the first office.
- d. Each member of the Board shall serve without compensation.
- e. Each member shall qualify by executing the constitutional Oath of Office and shall execute a good and sufficient bond for \$1,000 payable to the District, by the District, conditioned upon the faithful performance of the member's duties, and the bonds shall be deposited with the depository of the bank of the District for safekeeping.
- f. Members shall have a commitment to the delivery of quality healthcare to the community and the fulfillment of the purpose of these bylaws.

Section 3. Authority:

- a. Board members shall have no authority except when functioning as a member of the Board in an official meeting. No individual member of the Board may exercise authority with respect to the operation of the Health Care Assistance Program, the Public Health District, the Emergency Medical Service, over any Montgomery County Hospital District employee or any other services provided by the Montgomery County Hospital District.
- b. Each Director acknowledges that, as otherwise set out in these Bylaws, the day to day management of the District operations has been entrusted by the Board to the CEO, and that preserving the integrity of administrative reporting structures is important to a well-run organization.
- c. The Board shall approve the appointment to the staff any Doctors the Board considers necessary for the efficient operation of the District to include the EMS Medical Director.
- d. Consistent with the purpose of the Texas Open Meetings Act, each member of the Board should be given an opportunity to state his or her views to

other board members and to give them the benefit of his or her judgment, so that the decision “may be the composite judgment of the body as a whole.”

- Section 4. Terms. Members shall be elected by the electors of the Hospital District.
- a. Three (3) of the Directors shall be elected at large from the entire District.
 - b. Four (4) of the Directors shall be elected from a different commissioner's precinct in the District and each shall be a resident of the precinct he/she represents.
 - c. Directors shall serve for staggered terms of four (4) years expiring on the last day of December.
- Section 5. Vacancies. All vacancies on the Board shall be filled for the unexpired term by appointment by the remainder of the Board of Directors. In the event the number of Directors shall be reduced to less than four (4) for any reason, the remaining Directors shall immediately call for a special election to fill said vacancies, and upon failure to do so, a district court may, upon application of any voter or taxpayer of the District, issue a mandate requiring that such election be ordered by the remaining Directors.
- Section 6. Voting rights of Members. Each member shall be entitled to one (1) vote on all matters before the membership. There shall be no voting by proxy.

ARTICLE III. REGULAR AND SPECIAL MEETINGS OF THE BOARD

- Section 1. Regular Meetings. The Board shall hold a regular meeting each month on a date and time approved by the Board.
- Section 2. Special Meetings. Special meetings may be called by the Chairman or any four (4) members of the Board. Written notice of special meetings shall be mailed or sent electronically to each member at least seventy-two (72) hours before the time of such special meeting.
- Section 3. Notice of time and place of the meetings shall be posted in accordance with the Texas Open Meetings Law and other applicable statutes.
- Section 4. Place of Meeting. Regular monthly meetings of the Board shall be held at any place which has been designated. In the absence of such designation, regular meetings shall be held at the principal office of the Hospital District. Special meetings may be held either at a place so designated or at the principal office.
- Section 5. Quorum of Regular Meetings. To conduct business of a regular or special meeting, a quorum shall consist of any four (4) members of the Board.
- Section 6. Minutes. Written minutes shall be maintained on all meetings to reflect all proceedings and actions thereof.
- Section 7. Attendance Requirements. Any member who is compelled to be absent from any consecutive regular or special Board meetings shall promptly advise the presiding officer of the absence.

ARTICLE IV. OFFICERS

- Section 1. Officers. The officers of the Board of Directors shall be a Chairman, a Vice-Chairman, a Secretary, and a Treasurer. The offices of Chairman, Secretary and/or Treasurer will not be held by the same person.
- Section 2. Chairman. The Chairman of the Board shall, if present, preside at all meetings of the Board. The Chairman is responsible for appointing all committee members. The Chairman shall be an *ex officio* member of all committees.
- Section 3. Vice Chairman. The Vice Chairman of the Board shall preside at meetings of the Board in the absence of the Chairman and, when so acting, shall have the power and authority of the Chairman.
- Section 4. Secretary. The Secretary of the Board shall be responsible to send appropriate notices and prepare agendas for all meetings of the Board. The Secretary shall act as custodian of all records and reports and shall be responsible for keeping and reporting adequate records of all meetings of the Board. The Secretary may delegate these duties to the Secretary's designee.
- Section 5. Treasurer. The Treasurer shall be responsible for all funds of the Hospital District and shall ensure that a true and accurate accounting of the financial transactions of the Hospital District is made and may delegate duties to their designee that reports of such transactions are presented to the Board, and that all accounts payable are presented to such representative as the Board may designate for authorization of payment.
- Section 6. Election. The officers shall be elected annually by the Board from its own membership at the January Board meeting. All officers shall hold office for a period of one (1) year, or until the member resigns, is removed, or a successor has been elected and qualified.
- Section 7. Removal and Resignation. Any officer of the Board may be removed from the officer's position, with cause, by the members of the Board at any regular meeting thereof. Any officer may resign at any time by giving written notice to the Board or to the Chairman. Any such resignation shall take effect at the date of the receipt of such notice or at any time specified in the resignation notice.
- Section 8. Vacancies. A vacancy in any office because of the death, resignation, removal, or any other cause shall be filled in the manner prescribed in Article II, Section 5 of the Bylaws and any applicable statutes for regular appointment to such office.

ARTICLE V. COMMITTEES

- Section 1. Committees. Committees of the Board shall be standing and special committees. Standing committees may make recommendations to the Board for the operational areas that fall under the committee's purpose. If it is not clear which committee is responsible, the Chairman of the Board shall assign the issue to a committee.
1. Health Care Assistance Program Committee (HCAP Committee)
 2. Emergency Medical Services Committee (EMS Committee)
 3. Planning and Development Committees (PADCOM Committee)
 4. Finance Committee
 5. Personnel Committee
 6. Legislative and Outreach Committee
- Section 2. Special Committees. Special Committees may be appointed by the Chairman of the Board for whatever special purpose is needed to be addressed at the time of forming a Special Committee. The Chairman of the Board may set the policies, procedures, and duration of the Special Committee.
- Section 3. For all Committees formed under these Bylaws the following rules shall apply unless the Board specifically alters or chooses to create different rules: A simple majority constitutes a quorum of any committee. Each committee shall maintain minutes of its proceedings, recommendations, and actions. Any member of a committee may request information or clarification from the committee Chairman or the CEO. A committee may make recommendations to the Board for the purpose of the Board's oversight. The Chairman of the Board shall make appointments to standing and special committees unless otherwise provided in the Bylaws. All board members may attend, make recommendations and vote at each and any MCHD committee meeting.

ARTICLE VI. ADMINISTRATION

Section 1. Chief Administrative Officer. The Board shall appoint a competent Chief Administrative Officer known as the Chief Executive Officer (CEO) who shall be its direct executive representative in the management of the Hospital District. The Chief Executive Officer shall be given the necessary authority and responsibility to operate all its activities and departments, subject only to such policies as may be adopted, and such orders as may be issued by the Board. The Chief Executive Officer shall be an *ex officio* member of the Board without vote. The Chief Executive Officer serves at the will of the Board and is entitled to the compensation determined by the Board.

Section 2. Authority and Responsibility. The authority and responsibility of the Chief Executive Officer shall include:

- a. Carrying out all polices established by the Board.
- b. Development, and submission to the Board for approval, of a plan or organization of the personnel and others concerned with the operation of the Hospital District.
- c. Preparation of an annual District budget showing the expected receipts and expenditures as required by the Board.
- d. Selection, employment, control, and discharge of employees, and development and maintenance of personnel policies and practices.
- e. Maintenance of physical properties in a good state of repair and operating condition.
- f. Supervision of all District business affairs to ensure that funds are collected and expended to the best possible advantage.
- g. Cooperation with the Medical Staff and with all those concerned with the rendering of professional service to the end that high quality care shall be rendered to the patients.
- h. Presentation to the Board of periodic reports reflecting the professional services and financial activities of the Hospital District; and preparation and submission of such special reports as may be required by the Board.
- i. Update the Board on all activities of the District and any current or potential litigation pertaining to the District.
- j. Represented at all meetings of the Board and its committees as needed.

EXHIBIT "A"

BOARD POLICY FOR PLACING AN ITEM ON A BOARD AGENDA

PROCEDURE:

1. The posting requirement is 72 hours prior to a scheduled Board meeting.
2. Agenda items for Special Meetings shall be submitted by any member of the Board to the Secretary by 8:30 o'clock a.m. on the last full District work day prior to the meeting posting deadline.
Example 1: Meeting on Tuesday at 6 p.m. Posting deadline Saturday at 6 p.m. Submission deadline Friday at 8:30 a.m.
Example 2: Meeting on Monday at 6 p.m. Posting deadline Friday at 6 p.m. Submission deadline Friday at 8:30 a.m.
Example 3: Meeting on Wednesday at 9 a.m. Posting deadline Sunday at 9 a.m. Submission deadline Friday at 8:30 a.m.
Example 4: Meeting on Thursday at 6 p.m. Posting deadline Monday at 6 p.m. Submission deadline Monday at 8:30 a.m.
Example 5: Meeting on Saturday at 9 a.m. Posting deadline Wednesday at 9 a.m. Submission deadline Tuesday at 8:30 a.m.
3. Agenda items for any Regular Meeting (3rd Tuesday, each month) shall be submitted to the Secretary on Wednesday Noon prior to the scheduled meeting.
4. The Secretary may designate in writing a delegee for the receipt of resolutions.
5. Agenda items must be submitted in writing by fax, U.S. mail, courier, ^{or} personal delivery.

James F. Hamilton, CEO

MONTGOMERY COUNTY HOSPITAL DISTRICT

Banking and Investment Policy

This banking and investment policy (“Investment Policy”) is adopted to meet the District’s responsibilities under the Public Funds Investment Act, Chapter 2256, Texas Government Code (hereinafter “Government Code”). This Policy applies to all funds represented in the Annual Financial Report, with the exception of any retirement, endowment or trust funds.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to District funds. The District’s investment portfolio shall be designed and managed in a manner intended to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the following primary objectives, listed in order of priority:

- * **Safety** and preservation of principal
- * Maintenance of sufficient **liquidity** to meet operating needs
- * **Public trust** from prudent investment activities
- * Optimization of **interest earnings** on the portfolio

1. **DEFINITIONS** For purposes of this Investment Policy, the following definitions shall apply:

- a. The “District” means Montgomery County Hospital District.
- b. “Bond Proceeds” means the proceeds from the sale of bonds, notes and any other obligations issued by the District, and reserves and funds maintained by the District for debt service purposes.
- c. “Book Value” means the original acquisition cost of an investment plus or minus the accrued amortization or accretion.
- d. “Funds” means public funds in the custody of the District that the District is authorized to invest.
- e. “Investment Pool” means an entity created under the Government Code as set forth in §§2256.016 to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are: (i) preservation and safety of principal; (ii) liquidity; and (iii) yield.
- f. “Market Value” means the current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.
- g. “Qualified Representative” means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization and who is one of the following:
 - (1) for a business organization doing business that is regulated or registered with a securities commission, a person who is registered under the rules of the Financial Industry Regulatory Authority (FINRA);

- (2) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by a corporate resolution to act on behalf of and bind the banking institution; or
 - (3) for an Investment Pool, the person authorized by the elected official or board with authority to administer the activities of the Investment Pool to sign the written instrument on behalf of the Investment Pool.
2. **INVESTMENT OFFICERS** The Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), and Treasurer of the Board of Directors shall serve as Investment Officers of the District, shall recommend appropriate legally authorized and adequately secured investments, and shall invest District Funds as directed by the Board and this Investment Policy. In making investment decisions pertaining to investments of District funds, the Investment Officers shall exercise the judgment and care under prevailing circumstances that a prudent person would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. When deciding whether an Investment Officer’s actions were prudent, the determination should be based upon the total investment portfolio, rather than an individual investment in the portfolio, provided deviations from expectations are reported in a timely fashion. However, an investment transaction not consistent with this Investment Policy would not be considered prudent.
 3. **WITHDRAWAL & TRANSFER AUTHORITY** The CEO, CFO, or the Treasurer of the Board of Directors is authorized to withdraw, transfer, and reinvest the District’s investments as prescribed in this Investment Policy. Any other employee or representative of the District will be permitted to perform these functions by express written authority of the Board or the CEO (see Exhibit “B”).
 4. **CHECKS, DRAFTS, ETC.**
 - a. Except as otherwise provided herein, all checks, drafts, notes or other orders for payment of money issued in the name of the District shall be signed (i) by the CEO, CFO, COO, or by one (1) member of the Board for dollar amounts up to \$50,000; or (ii) by the CEO, CFO, or COO and by one (1) member of the Board for dollar amounts totaling greater than \$50,000.
 - b. Due to an extended and/or unexpected absence of the CFO, all checks, drafts, notes or other orders for payment of money issued in the name of the District shall be signed (i) by the CEO, acting CFO, COO, or by one (1) member of the Board for dollar amounts up to \$50,000; or (ii) by the CEO, acting CFO, or COO and by one (1) member of the Board, or by a combination of any three (3) members of the Board for dollar amounts totaling greater than \$50,000.
 - c. The CEO may not initiate and sign a purchase order and thereafter sign the check (or authorize an electronic draft) evidencing payment of the Purchase Order.

Drafts to the District’s bank accounts for certain expenditures may be made through electronic signatures, electronic payments, and/or other automated arrangements not requiring a physical signature of a District representative.
 5. **APPROVED INVESTMENTS** The District is authorized to invest its Funds in only the investment types, consistent with the strategies and maturities defined in this Investment Policy and chapter 2256 of the Government Code. The maximum stated maturity of any individual investment should be no longer than 5 years, and the maximum dollar-weighted average maturity of any pooled fund should be no longer than one year.

The following investments will be permitted:

- a. Obligations, including letters of credit, of the United States or its agencies or instrumentalities, including the Federal Home Loan Banks;
- b. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
- c. Obligations of the State of Texas or its agencies and instrumentalities, and obligations of counties, cities, and other political subdivisions of this State rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
- d. Fully insured or collateralized deposits at eligible depositories placed in compliance with this Policy and the Government Code;
- e. Repurchase agreements placed in compliance with the Government Code.
- f. No load money market mutual funds regulated by the Securities and Exchange Commission whose investment objectives include maintaining a stable \$1.0000 share value and that meet the requirements of the Government Code.
- g. Local government investment pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation authorized in compliance with the Government Code.

The investments set forth in Government Code § 2256.009(b), are not considered authorized investments.

The District is not required to liquidate investments that were authorized at the time of purchase. At least quarterly, the Investment Officers shall monitor the rating of any investment required by the Government Code to maintain a minimum credit rating. All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

6. **SAFETY AND INVESTMENT MANAGEMENT** The Investment Officers shall observe financial market indicators, study financial trends, and utilize available educational tools in order to maintain appropriate managerial expertise. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio and offsets, during a 12-month period, any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio.

The Investment Officers shall create a competitive environment for all individual security purchases and sales, financial institution deposit placements, and money market mutual fund and local government investment pool selections. The Investment Officers shall develop and maintain procedures for ensuring a competitive environment.

7. **LIQUIDITY AND MATURITY**

- a. Unless otherwise prohibited by law, assets of the District shall be invested in instruments whose maturities do not exceed five (5) years from the time of purchase.
- b. The District's Investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.

8. **DIVERSITY** Where appropriate, the investment portfolio shall be diversified in terms of investment instruments, maturity, scheduling, and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific issuer. The District may achieve some diversification by placing part of its investment portfolio in a Local Government Investment Pool meeting the requirements of Government Code § 2256.016, if the Board authorizes the investment in the particular pool by resolution.
9. **FUNDS/STRATEGIES** Investments of the following fund categories shall be consistent with this policy and in accordance with the strategy defined below:

OPERATING FUNDS:

1. Suitability - Any investment eligible in the Investment Policy is suitable for Operating Funds (including debt service and other pooled funds).
 2. Safety of Principal - All investments shall be high quality with no perceived default risk. Market price fluctuations will occur. However, managing the weighted average days to maturity for the Operating Fund's portfolio to less than 300 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the overall portfolio.
 3. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term deposits, investment pools, and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
 4. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
 5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the District. Diversifying the appropriate maturity structure out through two years will reduce market cycle risk.
 6. Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.
10. **SAFEKEEPING and CUSTODY:** All trades, where applicable, will be executed by delivery versus payment (DVP) to ensure that securities are deposited with an eligible safekeeping agent prior to the release of funds. District-owned securities will be evidenced by safekeeping receipts issued by the agent. The District may designate an eligible and authorized financial institution or broker/dealer as custodian for FDIC insured deposit placements as per the Government Code.

All financial institution deposits shall be insured or collateralized in compliance with applicable State law. Pledged collateral shall maintain a market value equal to or greater than 102% of the deposits plus accrued interest, less any amount insured by the FDIC. The District reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards deposits. Financial institutions will be required to sign a depository agreement. The collateralized deposit portion of the agreement shall define the District's rights to the collateral in case of default, bankruptcy, or closing, and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- a. The agreement must be in writing;

- b. The agreement has to be executed by the financial institution and the District contemporaneously with the acquisition of the asset;
- c. The agreement must be approved by the Board of Directors or designated committee of the financial institutions and a copy of the meeting minutes must be delivered to the District; and
- d. The agreement must be part of the financial institution's "official record" continuously since its execution.

Securities pledged as collateral shall be held by an independent third party governed by a custodial agreement acceptable to the District. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The agreement must clearly state that the custodian is instructed to release pledged collateral to the District in the event the District has determined that the financial institution has failed to pay on any matured investments, or has determined that the funds of the District are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of the pledge must be supplied to the District and retained by the Investment Officers.

- 11. **BROKER/DEALERS** Broker/dealers must submit information as requested by the District and be in good standing with the Financial Industry Regulatory Authority ("FINRA"). Representatives of brokers/dealers shall be registered with the Texas State Securities Board. The Board, at least annually, shall review, revise and adopt a list of qualified broker/dealers that are authorized to engage in investment transactions with the District. The Board of Directors acknowledges the "List of Authorized, Qualified Broker/Dealers" as set forth in the document appended hereto as Appendix 1, which has been previously approved by the Board of Directors.
- 12. **INVESTMENT PROVIDERS** A written copy of this Investment Policy shall be presented to any person offering to engage in an investment transaction with the District.

Local Government Investment Pools and Discretionary Investment Management Firms shall execute a written instrument stating:

- a. The business organization has received and reviewed the District's Investment Policy; and
- b. Has acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by the District's Investment Policy, except to the extent that this authorization requires an analysis of the District's entire portfolio or requires an interpretation of subjective investment standards, or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

An example of the written instrument is attached as Exhibit "A". The Investment Officers may not acquire or otherwise obtain any authorized investment described in this policy from a person who has not delivered to the District an instrument that is substantially in this form.

- 13. **INVESTMENT TRAINING** In order to provide qualified and capable investment management, the Investment Officers of the District shall: (1) attend training, accumulating at least 10 hours, relating to the Treasurer's or Investment Officers' responsibilities under the Government Code within 12 months after taking office or assuming duties; and (2) attend training with each two-year period aligned with the District's fiscal year and accumulating not less than 10 hours of instruction relating

to investment responsibilities under the Government Code. The training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolios, and compliance with the Government Code.

The Board approves the following independent sources of training:

- a. Government Treasurers' Organization of Texas
- b. Government Finance Officers Association (National and Texas)
- c. American Institute of Certified Public Accountants
- d. University of North Texas
- e. Texas State University

- 14. STANDARD OF CARE** Investments shall be made with judgment and care, under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investments shall be governed by the objectives specified in Government Code 2256.006, in the order of priority specified therein.

In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the following shall be taken into consideration:

- a. The investment of all Funds, rather than the prudence of a single investment, over which the officer had responsibility.
- b. Whether the investment decision was consistent with this Investment Policy.

- 15. PERSONAL INTEREST** An Investment Officer who has a personal business relationship with a business organization offering to engage in an investment transaction for the District or who is related within the second degree by affinity or consanguinity, as determined by Government Code, Chapter 573, to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship with the Board and with the Texas Ethics Commission, and shall abstain from participation in the District's decision whether to engage the business organization or individual with which the Investment Officer has a relationship.

An Investment Officer has a personal business relationship with a business organization if:

- a. the Investment Officer owns 10 percent or more of the voting stock or shares of the business organizations or owns \$5,000 or more of the Fair Market Value of the business organization;
- b. Funds received by the Investment Officer from the business organization exceed 10 percent of the Investment Officer's gross income for the previous year; or
- c. The Investment Officer has acquired from the business organization investments with a Book Value of \$2,500 or more for the personal account of the Investment Officer.

- 16. QUARTERLY REPORTS** The Investment Officers shall prepare and submit to the Board a written report in compliance with the requirements of the Government Code. This report shall be presented to the Board not less than quarterly, within a reasonable time after the end of the period. The report must:

- a. Contain a detailed description of the investment position of the District on the date of the report.
- b. Contain a summary statement of each pooled funds group that states:

- (1) Beginning Market Value for the reporting period.
 - (2) Additions and changes to the Market Value during the period.
 - (3) Ending Market Value for the period.
 - (4) Fully accrued interest for the reporting period.
- c. State the Book Value and Market Value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.
 - d. State the maturity date of each separately invested asset that has a maturity date.
 - e. State the account or fund or pooled group fund in the District for which each individual investment was acquired.
 - f. State the compliance of the investment portfolio of the District as it relates to the District's investment strategy expressed in the District's Investment Policy and relevant provisions of law.
 - g. Record the signatures of each Investment Officer attesting to its compliance as required in item.

Market values will be obtained at least quarterly from sources deemed to be reliable and not affiliated with the original transaction acquiring the investment.

- 17. **ANNUAL REVIEW** The Investment Policy, and incorporated the investment strategies, shall be reviewed not less than annually by the Board. The Board shall affirmatively, by written resolution, state that it has reviewed the Investment Policy and investment strategies, and such resolution shall record any changes made in the Investment Policy or investment strategies.
- 18. **ANNUAL AUDIT** The Board shall perform or have conducted a compliance audit of management controls on investments and adherence to the Board's established investment policies. The compliance audit shall be performed in conjunction with the annual financial audit by the District's independent auditing firm. If the District invests in other than money market mutual funds, Investment Pools or deposits offered by its depository bank, the reports prepared by the Investment Officers shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Board by that auditor.
- 20. **ELECTRONIC FUNDS TRANSFER** The District may use electronic means to transfer or invest all Funds collected or controlled by the District.
- 21. **AUTHORIZATION** Unless authorized by this Policy, (including the appendices hereto) a person may not deposit, withdraw, transfer, or manage in any other manner the Funds of the District.
- 22. **COMPLIANCE** All investments made by the District must comply with the Texas Public Funds Investment Act and all federal, state and local statutes, rule or regulations.

MONTGOMERY COUNTY HOSPITAL DISTRICT

Banking and Investment Policy
(Signature Page)

The undersigned hereby acknowledge that he/she has received and reviewed the District's Investment Policy:

Brent Thor, Chairman, MCHD Board of Directors

Chris Grice, Vice-Chairman, MCHD Board of Directors

Charles Shirley, Treasurer, MCHD Board of Directors

Georgette Whatley, Secretary, MCHD Board of Directors

Brad Spratt, Member, MCHD Board of Directors

Robert Hudson, Member, MCHD Board of Directors

Arnette Easley, Member, MCHD Board of Directors

Randy Johnson, MCHD Chief Executive Officer

D. Brett Allen, MCHD Chief Financial Officer

Date

EXHIBIT A

Example of Statement by Investment Provider

My name is _____. I am a Qualified Representative of ____ (the “Business Organization”). This statement is provided to meet the requirements of the Public Funds Investment Act.

I hereby certify that

1. I have received and reviewed the District’s Investment Policy;
2. The Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the Organization that are not authorized by the District’s Investment Policy, except to the extent that this authorization is dependent on an analysis of the make-up of the District’s entire portfolio, or requires an interpretation of subjective investment standards, or relates to investment transactions of the District that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority; and
3. The statements, representations and declarations made in this document are true and correct.

Qualified Representative

Appendix 1

List of Authorized Broker/Dealers

<u>Institution</u>	<u>Representative</u>
FHN Financial	Buddy Saragusa
Raymond James Financial Services	Fred Greene
Wells Fargo Securities	Chuck Landry

The District is approving institution name. Representative data is for informational purposes only.



We Make a Difference!

Montgomery County Hospital District

District Purchasing Policy

MONTGOMERY COUNTY HOSPITAL DISTRICT

PURCHASING POLICIES

Updated through September 27, 2016

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INTRODUCTION

Montgomery County Hospital District is a political subdivision of the State of Texas created by an election of the District's voters in 1977. The District's purpose is to provide medical care and other health care services to qualifying, low-income residents of Montgomery County. In connection with such duties, the District must periodically make expenditures of public funds for purchases of supplies, equipment, materials and services. Although not required by the District's enabling legislation, the Board of Directors has sought to adopt comprehensive purchasing policies to ensure that District receives the best value.

This policy outlines the methods of procurement and the duties and responsibilities of the Montgomery County Hospital District as delegated to the Chief Executive Officer or his/her designee(s) by the Board of Directors.

It is the District's intention that all purchases of supplies, equipment, materials, and contracted services, (other than those covered by the Texas Professional Services Procurement Act)¹ where the costs exceed \$50,000 are to be purchased using a procurement methodology selected by the Chief Executive Officer and/or Board of Directors which is intended to result in obtaining the best value for the district.

Purchases of less than \$50,000 may be made to the open market by the District's Chief Executive Officer and/or his/her designee(s) as outlined in this policy.

PUBLIC PURCHASING HAS SEVERAL GOALS:

- Purchase the proper goods or services to suit the District's needs.
- Procure the best possible price and value for the goods or services required.
- Have the goods or services available where and when they are needed.
- Assure a continuing supply of needed goods and services.
- Guard against any misappropriation of the District Funds.

PUBLIC PURCHASING MUST ALSO ASSURE THAT:

- Responsible bidders are given a fair opportunity to compete for the District's business.
- The best value is received for the public dollar.
- Public spending is not used to enrich elected officials or government employees, or to confer favors upon constituents.

¹ Texas Local Government Code ch. 2254

The efficiency and effectiveness of any program depends on good, sound principles and management. Purchasing is no different. There are common, basic principles of purchasing which can be applied to any purchasing program to make it operational to the best advantage of any organization.

It is the intent of the policy to promote effective, efficient and consistent procurement in Montgomery County Hospital District, using procurement methodologies yielding the best value to the District for the benefit of its taxpayers.

There are several different types of purchases. They are as follows:

EMERGENCY:

Emergency purchases are made to meet a critical, unforeseen need of the District due to urgent circumstances and/or factors outside the District's control. Because the utilization of normal procurement processes would result in unreasonable delay in situations where public health and/or safety is at immediate risk, emergency purchases shall be exempt from otherwise applicable purchasing procedures as set forth herein.

SOLE SOURCE:

Sole Source purchases are goods and services available from only one supplier. This may be because of patents and copyrights or simply because a single vendor supplies the particular goods or services. These purchases shall be exempt from the otherwise applicable purchasing procedures set forth herein, so long as the decision is made that sole source procurement represents the best value to the District in light of the circumstances.

SERVICES:

Different types of services are needed by the District. Professional services shall be procured pursuant to the Professional Services Procurement Act for those services contemplated under said Act, and pursuant to a request for qualifications and/or request for proposals for services not contemplated under the Professional Services Procurement Act. In some instances, due to sole source, specialized skills and/or knowledge, service providers will be directly retained by the District, based upon the discretion of the Chief Executive Officer that a request for qualifications and/or request for proposals is unnecessary.

CONSTRUCTION:

These are projects normally involving the extensive use of plans, prints and/or professional construction services. The supervision of this type of procurement typically requires the services of an engineer. These projects will be procured pursuant to the methodology which results in the best value to the District and in strict compliance with Chapter 2267 of the Texas Government Code.

ITEMS:

Items include any service, equipment, goods, or other tangible or intangible personal property, including insurance and technology and are generally subject to competitive procurement as provided by these policies.

MCHD utilizes the following instruments in effecting purchases:

REQUISITION: Is a request for a purchase to be made. It is the first step taken after the need for goods and services is recognized. The requisition process must include a system of authorizations and safeguards to ensure that ethical purchasing procedures are followed.

PURCHASE ORDERS: Constitutes a contract for delivery of the goods and services and usually contains the terms, quantity, delivery and price.

MCHD personnel shall exercise diligence in utilizing requisitions and purchase orders for purchases of goods and services.

CIRCUMVENTING THE SYSTEM

Some types of purchases by the District are governed by statutory requirements of local, state or federal origin. The requirements of the statutes have been incorporated into the District's internal policies and will be followed where applicable. Circumvention of these policies is discouraged and any evidence of circumvention will constitute grounds for disciplinary action up to and including termination.

CHAPTER 1

STATEMENT OF PURCHASING POLICY

Montgomery County Hospital District operates under the authority granted by the State of Texas in its enabling statute (Chapter 1063 Texas Special District Local Law Code). With the exception of contracts for construction governed by ch. 2267 of the Government Code, the District's Board of Directors has been granted "the power to prescribe the method and manner of making purchases and expenditures by and for the hospital district."² The District's Board of Directors has elected to establish the following policies and reserve the right to amend them at any time.

The Montgomery County Hospital District pledges to discharge its duties in a manner that will provide, to all responsible vendors and contractors, an equitable and competitive access to Montgomery County Hospital District procurement processes. Further, the District's procurement will be conducted in a manner that will promote public confidence in the integrity of the organization.

² Texas Special District Local Law Code §1063.106 .

CHAPTER 2
PURCHASING
CODE OF ETHICS

GENERAL ETHICAL STANDARDS

1. It shall be a breach of ethics for an employee of the Montgomery County Hospital District to attempt to realize personal gain through public employment with Montgomery County Hospital District by any conduct inconsistent with the proper discharge of the employee's duties.
2. It shall be a breach of ethics for an employee of the Montgomery County Hospital District to attempt to influence any public employee of Montgomery County Hospital District to breach the standards of ethical conduct set forth in these policies.
3. It shall be a breach of ethics for any employee of Montgomery County Hospital District to participate directly or indirectly in procurement when the employee knows that:
 - a. the employee, or a member of the employee's immediate family has a financial interest pertaining to the procurement;
 - b. A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or any other person, business, or organization with whom the employee, or any member of the employee's immediate family, is negotiating or, has an arrangement concerning prospective employment, or is involved in the procurement.
4. Gifts – It shall be a breach of ethics for any person to offer, give or agree to give any employee or former employee of Montgomery County or for any employee or former employee of Montgomery County Hospital District to solicit, demand, accept or agree to accept from another person, a gift or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or any other advisory capacity in any proceeding or application request for ruling, determination, claim or controversy, or other peculiar matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal, therefore, pending before the District.

5. Kickbacks – It shall be a breach of ethics for any payment, gift or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier of subcontractor for any contract for Montgomery County Hospital District or any person associated therewith, as an inducement for the award of a subcontract or order. No such inducement is proper prior to or subsequent to an award of contract.
6. It shall be a breach of ethics for any employee or former employee of Montgomery County Hospital District knowingly to use confidential information for actual or anticipated personal gain or for the actual or anticipated gain of any person.
7. Employees of the Montgomery County Hospital District who are found to have violated any one or more of the Code of Ethics shall be subject to disciplinary action, including possible termination of employment with the District and prosecution as may be afforded by law.
8. Employees of the Montgomery County Hospital District shall ensure that all applicable laws and regulations pertaining to procurements of goods and services are honored, including for example, acknowledging conflicts of interest under Chapter 171 of the Texas Local Government Code, vendors who are disbarred from participating in government contracts due to violations of Medicare or Medicaid regulations, et cetera.
9. It shall be a breach of ethics for any employee who is involved in the purchasing of goods or services for Montgomery County Hospital District to intentionally seek to evade the competitive procurement of such goods or services by breaking down the purchase into component or sequential purchases.

CHAPTER 3

THE PURCHASING AGENT

1. The Chief Executive Officer of the Hospital District, and/or his designee(s), shall act as the District's purchasing agent and supervise all purchases to ensure compliance with this policy.
2. A purchase made by the Chief Executive Officer and/or his designee(s) shall be paid for by the manner provided by law, including but not limited to the Texas Prompt Payment Act (Texas Government Code chapter 2251). The District may not honor a payment for a purchase unless the purchase is made and/or authorized by the Chief Executive Officer and/or his designee(s) or by the Board of Directors and funds have been appropriated and budgeted for such purchase.
3. In addition to the aforementioned requirements, the Chief Executive Officer for Montgomery County Hospital District and/or his designee(s) will:
 - a. encourage and support compliance with the Texas state statutes, including the District's enabling legislation and the policies adopted there under by the Board of Directors, including but not limited to this policy; and
 - b. promote local business participation in the Montgomery County Hospital District procurement process.

CHAPTER 4

THE PURCHASING PROCESS

A. GENERAL INFORMATION

1. Montgomery County Hospital District will not be obligated to purchase equipment or accessories that are delivered for use on a trial basis.
2. The following purchasing procedures that are made with the intention of avoiding competitive bidding requirements are not authorized:
 - a. **COMPONENT PURCHASES:** defined as purchasing an item that, as a whole, would have normally been competitively bid, in a series of component purchases.
 - b. **SEPARATE PURCHASES:** defined as purchasing an item in a series of separate purchases that normally would have been purchased in one.
 - c. **SEQUENTIAL PURCHASES:** defined as purchases made over a period of time that in normal purchasing practices would be made as one purchase.
3. No District employee has the authority to request a purchase of supplies, materials, equipment, or services for his/her own personal use.

B. ADDITIONAL PURCHASING RESPONSIBILITIES

1. The Chief Executive Officer and/or his designee(s) should be cognizant of budget balances and refrain approving expenditures in excess of those balances, except in cases of public necessity and/or public calamity.
2. The Chief Executive Officer and/or his designee(s) shall plan purchases in order to keep “rush” and “emergency” purchases to a minimum. The District rarely enjoys any economic benefits from rush and emergency purchases. In most cases, prices for commodities and services are at a premium when there is not proper time allowed to explore sources, options, and alternatives.
3. The Chief Executive Officer and/or his designee(s) shall assure that all District employees responsible for making requests for purchases have read and understand the purchasing policies of Montgomery County Hospital District as embodied in this policy.

4. The Chief Executive Officer and/or his designee(s) shall ensure that where possible, purchase and procurement requests are descriptive and specific but do not prevent competitive bidding of comparable items.
5. The Chief Executive Officer and/or his designee(s) should understand and appreciate the nature of public purchasing, and seek to put all interested vendors on a level playing field with respect to awards of MCHD contracts.

C. PURCHASES

1. The purchase process should include a system of authorizations and safeguards so that improper or illegal purchasing is difficult both to initiate and to conceal.
2. Purchases for services will include information from the requisitioning employee that will provide additional details regarding the required service if necessary, and the budget account for which such item shall be charged.
3. The Chief Executive Officer may designate one or more persons authorized to make purchasing decisions for MCHD based upon department needs, employment seniority, employment responsibility, employment designation, amount of purchase, or other criteria as chosen by the Chief Executive Officer. The Chief Executive Officer at his discretion may set purchasing limits for his designees and authorized employees. All such delegations shall be memorialized in writing in one or more instruments.
4. In purchasing under this Policy any real property or personal property that is not affixed to real property, if MCHD receives one or more bids from a responsible bidder whose principal place of business is in Montgomery County and whose bid is within three percent of the lowest bid price received by MCHD from a responsible bidder who is not a resident of Montgomery County, MCHD, at its sole option may enter into a contract with:
 - a. the lowest responsible bidder; or
 - b. the responsible bidder whose principal place of business is in Montgomery County if MCHD determines, in writing, that the local bidder offers MCHD the best combination of contract price and additional economic development opportunities for MCHD created by the contract award, including the employment of residents of Montgomery County and increased tax revenues to MCHD.³

³ Texas Local Government Code § 271.905.

- c. This section does not prohibit MCHD from rejecting all bids.

CHAPTER 5

STANDARD PURCHASE ORDERS

A. STANDARD PURCHASE ORDERS

1. Authorized purchases must be conducted through the District's Requisition Process. Whenever practical the Purchase Order must be completed and approved prior to the time of purchase of the good or service. Point of sale purchases, generally for smaller amounts and small items are not required to have a Purchase Order completed prior to purchase; however, all District employees shall endeavor to use the Purchase Order process as much as possible.
2. Whenever possible, a Purchase Order should be generated using the online electronic Requisition System.
3. File copies of all Purchase Orders will be maintained in accordance with the District's records retention policy.

B. CONTRACTS/BLANKET PURCHASE ORDERS

1. Contract/Blanket Purchase Orders are agreements with vendors which allow frequent or small purchases by departments during the District's fiscal year without going through repetitive procurement procedures. Blanket Purchase Orders can also control pricing.
2. Montgomery County Hospital District will have two classes of Contract/Blanket Purchase Orders:
 - a. Purchase Orders of up to and including \$50,000 in a fiscal year which will be solicited unilaterally by the Chief Executive Officer and/or his designee(s);
 - b. Purchase Orders expected to exceed \$50,000 in a fiscal year, and which require the approval of the Board of Directors.
3. Annual Contracts for Maintenance and Service Agreements.
 - a. Where feasible, the District may enter into annual contracts with selected vendors for various maintenance services. These contracts may include, but not be limited to, office machine maintenance including computers and related office equipment, software maintenance and upgrades, cleaning services, pest control, and equipment rental agreements.

- b. Negotiation of these contracts and agreements is the responsibility of the Chief Executive Officer and/or his designee(s).
- c. As contracts are initiated, appropriate staff will be notified as to the terms of the agreements and how to obtain needed service through them.

C. PURCHASE ORDERS FOR TRAINING, SEMINARS, MEMBERSHIPS, SUBSCRIPTIONS, TRAVEL, LODGING, FOOD, AND BOOKS.

Competitive quotes are not required for individual expenses incurred in connection with training, seminars, memberships, subscriptions, travel, foods, or books which total less than \$2,000.00 per person unless the Chief Executive Officer and/or his designee(s) deems it necessary; however, persons making such purchases are encouraged to ensure the District is obtaining a reasonable governmental rate for all expenditures in connection with District business. Persons making such expenses are not required to select the lowest cost item under this section if legitimate reasons exist for selection of an item of higher cost. Expenses incurred for travel, lodging, and meals will be approved and paid in accordance with the Personnel Policies & Procedures – Travel and Entertainment Policy⁴.

D. DOLLAR THRESHOLDS FOR PURCHASE ORDERS

1. If a purchase requires an expenditure of funds in an amount up to and including \$50,000.00 the Chief Executive Officer and/or his designee(s) will make and approve all purchases unilaterally. The purchasing procedure will be as follows:
 - a. \$5,000.00 or LESS –
quotations may or may not be solicited, only if Chief Executive Officer and/or his designee(s) deems necessary;
 - b. \$5,000.01 to \$25,000.00
telephone and/or electronic (internet, online, email) price quotations will be sought. All telephone and/or electronic quotations will be documented and recorded by the Chief Executive Officer and/or his designee(s). Alternatively, informal written bids and/or proposals may be solicited. Whenever possible, any quotes received shall be documented in the electronic Requisition system;
 - c. \$25,000.01 to \$50,000.00
written quotations will be requested and documented in connection with the award decision;
 - d. Greater than \$50,000.00

⁴ These policies incorporate by reference the reimbursement rates approved by the federal government.

will be conducted by the formal, sealed, bid or request for proposal process.

2. The Chief Executive Officer and/or his designee(s) reserves the right to deviate from these policies for any purchases under the \$50,000 competitive bidding threshold, if it is in the best interest of the District and if it will facilitate specific District operations.
3. Sequential, Component, Separate, or Cumulative purchase orders for a single particular product and which would amount to \$50,000 or more within a fiscal year shall be subject to the competitive bid procedures set out in this policy.

E. EXCEPTIONS TO THE PURCHASE CYCLE FOR EXPENDITURES UNDER \$50,000

1. As with any set of guidelines or rules, there will be exceptions to the normal purchasing cycle with the understanding that the exceptions will only apply when there is a legitimate and obvious need.
2. EMERGENCY: An emergency situation is commonly described as an unforeseen situation which adversely and unduly affects the life, health, or convenience of the residents of Montgomery County, or circumstances that would cause a loss to the District. If an emergency arises during normal working hours, the affected employee(s) shall:
 - a. notify the Chief Executive Officer and/or his designee(s) of the situation and possible cost, if known;
 - b. within the working day or not exceeding the next working day, the employee will submit the Requisition to the Chief Executive Officer and/or his designee(s) noting the reason for the emergency.
3. If an emergency should arise after regular hours, the employee may proceed with the emergency acquisition and on the next regular day of business, a Requisition, invoices and properly completed receiving report (including a brief explanation of the purchase) will be sent to the Chief Executive Officer and/or his designee(s). The Chief Executive Officer and/or his designee(s) will then assign a Purchase Order number and forward that number to the appropriate vendor.

EMERGENCY PURCHASES EXCEEDING \$50,000 CAN NOT BE MADE WITHOUT PRIOR APPROVAL FROM THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER OR HIS EXECUTIVE STAFF DESIGNEE.

F. REIMBURSEMENTS TO AN INDIVIDUAL AND/OR STORE ACCOUNT

1. Since reimbursements are different from purchases, only in that the vendor is a specified employee or Store account, they must meet all purchasing procedures as outlined in the Purchasing Policy.
2. When possible, reimbursements must have prior approval from the Chief Executive Officer and/or his designee(s).
3. If prior approval was not obtained, written documentation explaining why it was not possible to do so, must be submitted to the Chief Executive Officer and/or his designee(s).

G. CONTRACT WITH PERSON INDEBTED TO THE DISTRICT

1. The District may refuse to enter into a contract or other transaction with a person and/or entity indebted to the District.

CHAPTER 6

PROCUREMENT OF PROFESSIONAL SERVICES

1. The procurement of professional services will be governed by the “Professional Services Procurement Act” (Tex. Gov’t. Code ch. 2254). Professional Services includes:
 - a. accounting,
 - b. architecture,
 - c. landscape architecture,
 - d. land surveying,
 - e. medicine,
 - f. optometry,
 - g. professional engineering,
 - h. real estate appraising, or
 - i. professional nursing.

2. Though competitive bids/quotes may not be used, it will be the policy of the District to procure, in most cases, professional services through a request for qualifications (RFQ). There may be instances when it is not practical to pursue this method of procurement for professional services. The procurement of services must be based on qualifications and competence, and shall comply with the express statutory requirements where such are applicable.

3. The Board of Directors is required to approve any contract for a professional service which will exceed \$50,000 during a fiscal year. The contract shall be in writing and approved and signed before services are rendered.

4. The Chief Executive Officer will sign contracts up to and including \$50,000 for professional services; the contract shall be in writing and signed before services are rendered.

5. For other professional type services not specifically defined above in paragraph 1 of this Chapter, the District shall review whether such services should be bid by Request for Proposal (RFP), Request for Qualifications (RFQ), or direct hire. The Chief Executive Officer or his designee shall have the discretion to decide the manner and method of contracting for such services based upon his evaluation of each circumstance.

CHAPTER 7

COMPETITIVE BIDS/PROPOSALS

A. COMPETITIVE BIDS

1. Competitive bidding means letting the available vendors compete with each other to provide goods and/or services. In the case of local governmental entities, the bidding process has two additional purposes.
 - a. The first purpose of competitive bidding is to ensure that public monies are spent properly, legally, and for public projects or goods, and that the best possible value is received for the money.
 - b. The second purpose is to give those qualified and responsible vendors who desire to do business with the District a fair and equitable opportunity to do so. The employment of a standard, and consistent bidding process provides the public with an assurance that their tax dollars are being spent properly.
2. With a few exceptions, competitive bidding of expenditures in excess of \$50,000 will be accomplished by the following:
 - a. After specifications are developed, notice of the proposed purchase will be advertised in the manner required by law or this policy.
 - b. All purchases over \$50,000 require Board approval and are subject to the bidding criteria set forth in the bid specifications.
3. Nothing in these policies shall be construed to prohibit or prevent the District from using competitive bidding and/or competitive proposals for procurements of items in which the anticipated expenditure by the District is less than \$50,000, where it is determined to be advantageous to the District to do so.

B. REQUEST FOR PROPOSALS

If the Chief Executive Officer and/or his designee(s) determine that it is impractical to prepare detailed specifications for an item to support the award of a purchase contract, the person may use a competitive proposal procedure.

C. BONDING

Bid solicitations may include, as necessary, bonding requirements (e.g. bid bonds). This is to ensure that if the bidder attempts to withdraw after his bid is accepted, the District will not suffer financial loss.

D. PRE-BID CONFERENCE

The Chief Executive Officer and/or his designee may require a principal, officer, or employee of each prospective bidder/proposer to attend a mandatory pre-bid/pre-proposal conference for the purpose of discussing specifications, contract requirements and answering questions of prospective bidders/proposers.

E. AWARDING A CONTRACT

1. The Chief Executive Officer and/or his designee(s) will evaluate all bids and/or proposals, and a recommendation will be made to the Board of Directors for those purchases that require Board of Directors' approval. Factors that shall be considered in such evaluation shall include but not be limited to, the bidder's/proposer's ability to perform and or supply the product or service in a timely manner, the bidder's/proposer's history in supplying such goods and /or services, the quality of the goods and/or services offered, and any other factors identified by the Chief Executive Officer and/or his designee as being pertinent to the determination of a bidder's/proposer's responsibility and ability to perform under its bid and/or proposal. The District shall endeavor to determine and publish its scoring criteria for evaluation of bids and/or proposals in the bid specifications and/or request for proposals.
2. The Chief Executive Officer and/or his designee(s) or Board of Directors as appropriate, will either approve the recommendation or reject all bids and authorize the Chief Executive Officer to re-bid the item and/or service.
3. After an award is made, a purchase order will be issued and a contract signed as may be appropriate under the circumstances.

F. MODIFICATION AFTER AWARD

1. After award of a contract but before the contract is made, the Chief Executive Officer and/or his designee(s) may negotiate a modification of the contract if the

modification is in the best interests of the District and does not substantially change the scope of the contract or cause the contract amount to exceed the next lowest bid.

2. If it becomes necessary to make changes in plans, specifications, or proposals after a contract is made or if it becomes necessary to increase or decrease the quantity of items purchased, the Chief Executive Officer and/or his designee(s) may make the changes. Generally such changes will be documented in a change order or a contract amendment reflecting the reasons for the change and the amount the contract is increased or decreased. However, the total contract price may not be increased unless the cost of the change can be paid from budgeted and available funds of the District.
3. No change order and/or attempted modification of a contract, in the aggregate, which causes the contract price to increase by \$25,000 or more shall be valid unless approved by the District's Board of Directors.

CHAPTER 8

EXEMPTIONS TO THE COMPETITIVE BIDDING PROCESS

Some goods and services are exempt from the competitive bidding process. Section 262.024 of Texas Local Government Code lists several circumstances when purchases may be exempt from the competitive bidding process. While the District is not bound to Section 262.024 of the Texas Local Government Code, by way of example, the following is a list of items and circumstances that may be exempt from competitive bidding. The Chief Executive Officer may in his discretion exempt a purchase from competitive bidding for good cause. In such instance the Chief Executive Officer must get Board approval for any exception over \$50,000.00.

A. ITEMS AND SERVICES THAT ARE EXEMPT FROM COMPETITIVE BIDDING INCLUDE:

1. An item that must be purchased in a case of public calamity, if it is necessary to make the purchase promptly to relieve the necessity of the citizens, or to preserve the property of the District,
2. Personal or professional services,
3. Real property purchases or right of way circumstance,
4. Personal property sold at auction or at a going out of business sale,
5. Property owned by a political subdivision of a local, state or federal governmental entity,
6. Purchases made by and through the District's participation in a local government purchasing cooperative and/or through an interlocal agreement⁵ with another governmental entity shall be deemed to have satisfied the requirements of this policy.

(NOTE: EMERGENCY ORDERS WHICH EXCEED \$50,000 REQUIRE THE BOARD OF DIRECTORS APPROVAL BEFORE A PURCHASE ORDER CAN BE ISSUED)

B. GOODS AND SERVICES WHICH CAN ONLY BE OBTAINED FROM ONE SOURCE, INCLUDING:

1. Goods and services for which competition is precluded because of the existence of patents, copyrights, trade secrets, or monopolies,
2. Electric power, gas, water, other utility type services,
3. Captive replacement parts for equipment or parts made by a specific manufacturer for equipment produced by same manufacturer,
4. Other goods or services which may be provided by only one vendor or manufacturer.

SOLE SOURCE ITEMS require a memo or statement from the Chief Executive Officer and/or his designee(s) supported by a statement from the vendor as to the existence of only one source, to be accepted by the Board of Directors and this must be reflected in the minutes of the meeting of the Board of Directors.

C. THE RENEWAL AND/OR EXTENSION OF A LEASE, MAINTENANCE AGREEMENT, LICENSE AGREEMENT, OR SIMILAR CIRCUMSTANCE.

1. The renewal or extension of a lease, maintenance agreement, license, or similar issue is exempt from competitive bidding, but remains subject to appropriations by the Board when:
 - a. The lease, maintenance agreement, license, or similar issue has gone through the competitive bidding procedure originally, or was exempt by Sole Source exceptions and continues to be subject to Sole Source exceptions.
2. It is possible that a lease, maintenance agreement, license, or similar issue may be subject to a Sole Source exception as well. In such cases, the Chief Executive Officer may with good cause exempt the purchase from competitive bidding on that basis. However, the Chief Executive Officer shall endeavor at all times to secure the best price available for the District.
3. The Chief Executive Officer may in his discretion exempt EMS Station Leases which are \$25,000 or less per year per Station from competitive bidding requirements.

CHAPTER 9

CONSTRUCTION

- A.** Chapter 2267 of the Texas Government Code shall govern all contracts for construction by the Montgomery County Hospital District. In addition, the bonding requirements set forth in Chapter 2253 of the Texas Government Code shall apply to all contracts for construction.
- B.** The District will consult legal counsel before entering into a construction contract to ensure all legal requirements have been met.
- C.** All the methods for construction set forth in Chapter 2267 of the Texas Government Code shall be available to the District to choose from at the discretion of the Board of Directors, which shall pick the method which provides the best value to the District.

CHAPTER 10

STATE CONTRACT, CATALOGUE PURCHASES AND INTERLOCAL AGREEMENTS

A. INTRODUCTION

Several statutory provisions in Texas law provide authority to local governments to purchase goods and services through the State General Services Commission's vendors and/or through agreements with other local governments and political subdivisions and through local government purchasing cooperatives. One such provision allows purchasing from vendors with which the State has entered into contracts as a result of competitive bidding procedures. These are referred to as State Contract purchases. Another provision allows purchasing automated information services from approved vendors based on their catalogue prices and negotiations. These are referred to as State Catalogue purchases. Other provisions allow for purchasing through interlocal agreements, including through local government purchasing cooperatives.

B. STATE CONTRACT PURCHASES

1. Sections 271.081 through 271.083 of the Texas Local Government Code requires the State Purchasing and General Services Commission to establish a local government purchasing program. The Montgomery County Hospital District may participate in this program and may make purchases under such program and by doing so is deemed to have satisfied the bidding requirements imposed by these policies.
2. The Chief Executive Officer or his designee is designated to act for the District at the direction of the Board of Directors in all matters relating to the program, including the purchase of goods and services from the vendor under any contract. The District is responsible for making payments directly to the vendor.
3. The Chief Executive Officer or his designee is responsible for submitting requisitions to the commission under any contract or electronically sending purchase orders directly to vendors and reports to the commission on actual purchases in compliance with the commission's regulations.
4. The Chief Executive Officer is responsible for vendor's compliance with all the conditions of delivery and quality of the purchased goods and services.

5. The Chief Executive Officer is authorized to sign and deliver all necessary documents for purchases under this program on behalf of the District.
6. The award of any contract from state contracts shall be in writing, approved and signed by the Chief Executive Officer up to and including \$50,000 or if more than \$50,000 such award approved by the Board of Directors prior to any services being rendered.

C. STATE CATALOGUE PURCHASES

1. The District is authorized by the Texas Government Code Section 2157.067 and the Texas Local Government Code Sections 271.082 and 271.083 to participate in the State General Services Commission's catalogue purchasing procedure for automated information systems.
2. The District will follow procedures outlined the Texas Government Code Chapter 2157 for the purchase of automated information systems. The District will seek the best value which is in the District's best interest by following the Request for Offer (RFO) procedure.
3. The award of any contract from the state catalogue shall be in writing, approved by either the Chief Executive Officer if the contract amount is up to and including \$50,000 or approved by the Board of Directors if more than \$50,000 prior to services being rendered.

D. INTERLOCAL AGREEMENTS

Purchases made by the District through interlocal agreements with other local governmental entities and/or through local government purchasing cooperatives shall be deemed to satisfy these purchasing policies with respect to the competitive bidding and/or competitive procurement of items purchased through such agreements.

CHAPTER 11
SPECIFICATIONS

A. SPECIFICATIONS – GENERAL

A specification is a concise description of a good or service an entity seeks to buy, and the requirements the vendor must meet in order to be considered for the award. A specification may include requirements for testing, inspection, preparing, or installation. The specification is the total description of the purchase. The specification may also contain the evaluation criteria for the evaluation of the bid or proposal.

B. PURPOSE

The purpose of any specification is to provide clear guides of what is to be purchased and to provide vendors with firm criteria of a minimum standard acceptable for goods or services. A properly drafted specification has four characteristics:

1. It establishes the minimum acceptability of the goods or services;
2. It promotes competitive bidding;
3. It contains provisions for reasonable test and inspections for acceptability of the goods or services; and
4. It provides for an equitable award to the lowest and best bid from a responsible bidder.

C. PREPARATION OF SPECIFICATIONS – District personnel shall use diligent efforts to prepare procurement specifications meeting these policies and guidelines, and such specifications shall provide sufficient detail to enable all bidders/proposers to avoid speculation and/or conjecture in the preparation of their bids in identifying the goods and/or services sought by the District.

CHAPTER 12

PROPERTY SALVAGE AND DISPOSAL – DISPOSITON

1. Throughout the fiscal year, items may outlive their usefulness and become unserviceable or obsolete. Prior to taking any item out of service, it should first be determined that the item in question could not be transferred to another user department for continued service. If it is found that the item is no longer serviceable to the District it shall be reported to the Board of Directors for ultimate disposal.
2. Upon approval by the Board of Directors, surplus or salvage material, and equipment may be disposed of in one the following methods:
 - a. public auction and or public sale;
 - b. trade-in on new equipment;
 - c. sealed bids;
 - d. distribution as unsalvageable and/or donation to local charity groups;
 - e. if salvage property cannot be donated, then disposed of in a commercially prudent manner.
3. At times, the District may be asked to purchase an item for and on behalf of another Government Entity wishing to rely on expertise of the District in a particular area. The District may do so only when the purchase will not interfere financially or otherwise with the mission of the District and when such purchase is outlined in a written interlocal agreement. Such purchases may not result in a gift or grant to the other Government Entity.

CHAPTER 13

INVOICES

Invoicing is considered an important part of the procurement process.

As per this policy, the vendor's invoice will be submitted directly to the Chief Executive Officer and/or his designee(s) by the vendor. If the mail is used, the address to be used is:

MONTGOMERY COUNTY HOSPITAL DISTRICT
ACCOUNTS PAYABLE
P.O. BOX 478
CONROE, TX 77305

OR

accountspayable@mchd-tx.org

CHAPTER 14

PURCHASING AUTHORIZATION

A. APPOINTMENT OF DESIGNEES

1. The Chief Executive Officer shall be authorized to appoint one or more designees as purchasing officers to carry out the requirements of this policy and to act in the place of the Chief Executive Officer in the making of purchases of goods and services for the District.

B. PURCHASING AUTHORIZATION FORM

1. A written designation shall be signed by the Chief Executive Officer for each person who has been delegated the authority to approve purchases on the Chief Executive Officer's behalf.
2. The purchasing authorization designation shall indicate that the person having the authority to approve purchases has read and understood the Purchasing Policies and Procedures and will abide by the guidelines, restrictions, and duties enumerated therein.

CONCLUSION

This Purchasing Policy may be amended and supplemented from time to time by resolution of the Board of Directors. All existing purchasing policies of the District containing provisions inconsistent with these policies and procedures are hereby repealed and replaced by these policies and procedures. No violation of these policies and procedures alone shall constitute a basis for a legal challenge, as it is intended by the District that these policies are intended to provide a method of guidance for the District's purchases, but shall not be construed as having the force and effect of law. Any provisions of the District's enabling status as well as other state or federal laws, rules or regulations which are applicable to the District and which conflict with these policies and procedures shall supersede these policies and procedures to the extent of such conflict.

This policy has been approved by the Board of Directors of the Montgomery County Hospital District, acting at a public meeting held in strict compliance with the Texas Open Meetings Act, to take effect immediately.

THESE POLICIES AND PROCEDURES WERE PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT ON THE 17TH DAY OF JUNE, 2008. AMENDMENTS TO THIS POLICY WERE ADOPTED BY THE BOARD OF DIRECTORS ON THE 28TH DAY OF MAY, 2012 AND ON THE 27TH DAY OF SEPTEMBER, 2016.



MONTGOMERY COUNTY HOSPITAL DISTRICT Compliance Plan

I. COVERAGE

The Compliance Plan applies to all directors, officers, medical staff members, employees, volunteers and contractors of Montgomery County Hospital District (MCHD).

II. INTRODUCTION

1. Purpose of the Compliance Plan:

It is the philosophy and expectation that all directors, officers, medical staff members, employees, volunteers and contractors of MCHD conduct business and operations in accordance with the highest standards and ethics. MCHD complies with all federal, state and local laws that govern the health care industry.

The Office of Inspector General (“OIG”) guidelines set forth seven elements required “at a minimum” for an effective Compliance Plan. These elements, which MCHD has adopted, are as follows:

- a. Written standards of conduct;
- b. Designation of a Compliance Officer and a Compliance Committee;
- c. Regular training for all employees;
- d. Reporting mechanisms, such as a Compliance Line, that protect the anonymity of the caller and
- e. the confidentiality of the complaint;
- f. Prompt investigation of complaints and the imposition of appropriate disciplinary action;
- g. Scheduled audits to monitor compliance with the Compliance Plan and applicable federal and state laws and regulations; and,
- h. Investigation and remediation of identified systemic problems.

In addition, the Compliance Plan addresses other specifically identified duties such as general standards of conduct, policies and procedures that promote compliance with applicable laws. Some standards of conduct, policies and procedures are general and can be universally applied to all aspects of MCHD’s operations. Other standards of conduct and procedures are specific and based on the stated expectations of the governmental agencies that regulate the healthcare industry.

Accordingly, the Compliance Plan cannot address in precise details all of the acts that need to be undertaken to achieve regulatory compliance. It is anticipated, however, that the Plan will articulate standards of conduct and procedures that are necessary to promote regulatory compliance.

2. Adherence to the Plan

No directors, officers, employees, medical staff members, volunteers and contractors of MCHD is authorized to act in disregard of any requirement of this Compliance Plan. Any individual wishing to be excused from any Plan requirement must request and receive express written permission from the Compliance Officer.

The Compliance Plan will be modified to accommodate changes in the law and when otherwise necessary. MCHD encourages comments and suggestions from directors, officers, employees, medical staff members, volunteers and contractors who believe that the Plan can be improved. Individuals wishing to suggest a change in the Plan should contact their supervisor, the Compliance Officer or the Compliance Committee.

Code of Business Conduct and Ethics

Operating with a strong sense of integrity is critical to maintaining trust and credibility. Our Code embodies such rules regarding individual and peer responsibilities, as well as responsibilities to our patients, employees, stakeholders and the community, and includes:

- ✓ Prohibiting conflicts of interest (including protecting District opportunities);
- ✓ Protecting the District's confidential and proprietary information and that of our patients;
- ✓ Treating the District's patients, employees, stakeholders and competitors fairly;
- ✓ Protection and proper use of District assets;
- ✓ Compliance with laws, rules and regulations; and
- ✓ Encouraging the reporting of any unlawful or unethical behavior.

It is not possible to formulate in advance an all-inclusive set of guidelines regarding appropriate business conduct. The examples shown below provide guidelines for certain types of situations. Specific questions regarding situations which are not covered by this Code of Business Conduct and Ethics ("Code") will be answered on a case-by-case basis with the Human Resources Manager, Compliance officer and/or the CEO as they arise and may be addressed in other publications provided by the District.

Note: Nothing in this section is intended to restrict and/or otherwise violate the rights of employees with regard to Protected Concerted Activity under the NLRB Act and/or, but not limited to any other applicable laws and regulations.

Overview of Business Ethics

This Code outlines the broad principles of legal and ethical business conduct embraced by the District. It is not a complete list of legal or ethical questions an Employee might face in the course of business and, therefore, this Code must be applied using common sense and good judgment. Additionally, under certain circumstances, local country law may establish requirements that differ from this Code. The District's Employees are expected to comply with all laws AND District policies.

It is essential that we all be aware of possible violations of the District's business ethics – whether these violations occur in dealings with the government or the private sector, and whether they occur because of oversight or intention. Employees should discuss any concerns about this Code with the Human Resources Manager, Compliance Officer and/or CEO.

Conflicts of Interest

Employees are expected to make or participate in business decisions and to take action in the course of their service to the District based on the best interests of the District as a whole, and not based on personal relationships or benefits. If an Employee's personal affairs create a conflict of interest, a potential conflict of interest, or the appearance of a conflict of interest, the District requires a full and timely disclosure of the facts and circumstances.

Any Employee who has a question as to whether an existing or potential conflict of interest exists should immediately contact the Human Resources Manager and/or the CEO to report all the pertinent facts and to request an opinion with respect to the question.

Set forth below is specific guidance for some areas of potential conflict of interest that require special attention.

Relationship with Competitors

An Employee should not have any significant financial interest in a competitor of the District.

Interest in Other Businesses

Employees must avoid any direct or indirect financial relationship with other entities that could cause divided loyalty. While employed by the District, Employees must receive written permission from the CEO before beginning (i) any employment, business or consulting relationship with another entity; (ii) any business or consulting arrangement with a supplier to the District; or, (iii) any investment in a supplier.

Activities that would be a conflict include as examples the following:

The Employee's participation in such business could interfere with the employee's ability to devote proper time and attention to his or her employment by the District taking away from the District the Employee's talents and creative energy.

Non-Business Activities

Participation in the activities of a trade association, professional society, charitable institution or governmental institution on a non-compensated basis or holding a part-time public office (with or without compensation) will not generally create a conflict. However, Employees should be sensitive to possible conflicts with the District's business interests if, for instance, the association takes a position adverse to the District's interests.

Personal Relationships “Fraternization” Policy

MCHD reserves the right to take prompt and immediate action if an actual or potential conflict of interest arises due to employees allowing personal relationships with each other to progress beyond platonic friendships; i.e. “Fraternization”. **Fraternization is strictly prohibited.** In addition, the employment of members of the same immediate family, of those who share a household may create conflicts of interest or the perception of conflicts of interest.

Individuals in managerial positions or other influential roles are subject to more stringent requirements under this policy due to their status as role models, their access to sensitive information and their ability to influence others. If such a personal relationship occurs, it is the responsibility and obligation of the Employees involved to disclose the existence of the relationship to Human Resources. Managers, supervisors and others in positions of authority are not permitted to directly supervise a spouse, child, or others as related through a non-platonic relationship.

MCHD may take action, including but not limited to, changing one or both parties' reporting structure or termination of employment of one or both parties involved.

Note: The provisions of this policy apply regardless of the sexual orientation of the parties involved and/or the marital status of the parties involved.

Personal Use of District Property and District Information

An Employee shall not:

Use or divert any District property, including the services of other Employees, for his or her own advantage or benefit or to compete with the District. All District assets should be used for legitimate business purposes.

Use District letterhead paper when writing letters on personal or other matters not directly related to the District's business, except for use of District letter- head for civic and charitable causes that enhance the District's reputation in the community.

Laws, Regulations and Government Related Activities

Violation of governing laws and regulations is unethical and subjects MCHD to significant risk in the form of fines, penalties and damaged reputation. It is expected that each Employee will comply with applicable laws, regulations and District policies.

Privacy Laws and Policies

Privacy of Patient Information and Data Protection

One of our most important assets is our patients' trust. Keeping patient information secure and using it appropriately is therefore a top priority for all of us at the District. Employees must safeguard any confidential information our patients strictly observing HIPAA guidelines and regulations.

Privacy of Employee Information

MCHD recognizes and protects the privacy and confidentiality of employee medical and personnel records. Such records must not be shared or discussed outside the District, except as authorized by the employee or as required by law, rule, regulations or a subpoena or order issued by a court of competent jurisdiction or requested by a judicial or administrative or legislative body. Requests for such records from anyone outside the District under any other circumstances must be approved by the Human Resources Manager and/or CEO.

Confidential Information

All information pertaining to the District's business is confidential, proprietary and a protectable trade secret, except to the extent that the District has made such information public, such as through advertising, a press release or a publicly-filed report.

Unauthorized disclosure of any confidential information is prohibited. Confidential information is only provided to Employees for their confidential use in performing job responsibilities. Sharing this information (including, but not limited to, reports, copies of reports, any form of written summary of any kind, verbal disclosures or pictures) inside or outside of the District in any unauthorized way is strictly prohibited. Confidential information includes, but is not limited to, patient lists, employee lists, compensation information, bonus plans, PHI and proprietary business programs, processes and software, and other conversations of a sensitive manner unless otherwise guided by law.

Compliance with this policy requires that each Employee exercise care to reduce the likelihood of unauthorized disclosures of confidential information.

Documents should be properly safeguarded at all times. No Employee should attempt to obtain confidential information, which does not relate to his or her employment duties. Employees should treat all nonpublic District information as confidential both during and after their employment.

Work Product Ownership

All MCHD employees must be aware that MCHD retains legal ownership of the product of their work. No work product created while employed by MCHD can be claimed, construed, or presented as property of the individual, even after employment by MCHD has been terminated or the relevant project completed. This includes written and electronic documents, audio and video recordings, system code, and also any concepts, ideas, or other intellectual property developed for MCHD, regardless of whether the intellectual property is actually used by MCHD. Although it is acceptable for an employee to display and/or discuss a portion or the whole of certain work product as an example in certain situations (e.g., on a resume, in a freelancer's meeting with a prospective client), one must bear in mind that information classified as confidential must remain so even after the end of employment, and that supplying certain other entities with certain types of information may constitute a conflict of interest. In any event, it must always be made clear that work product is the sole and exclusive property of MCHD. Freelancers and temporary employees must be particularly careful in the course of any work they discuss doing, or actually do, for a competitor of MCHD.

Reporting of Violations

Employees are encouraged to talk to the Human Resources Manager and/or CEO when in doubt about the best course of action in a particular situation. The making of a report does not mean a violation has occurred. The District will investigate each complaint, and the subject person will be presumed not to have violated this Code unless the investigation reveals that a violation has occurred.

Conclusion

Every employee is responsible for assisting the District in the implementation of these policies and is expected to adhere to these policies, not only in practice but also in spirit. Employees violating these policies or any other policies of the District are subject to corrective action up to and including termination of employment. This section is not intended to restrict and/or otherwise violate the rights of employees with regard to Protected Concerted Activity under the National Labor Relations Board (NLRB) Act. All directors, officers, medical staff members, employees, volunteers and contractors of MCHD are expected to adhere to its terms.

III. ROLES AND RESPONSIBILITIES

Roles and responsibilities have been established to assure that MCHD operates in an environment of honesty and integrity and maintains appropriate moral, ethical and legal standards in accordance with the Compliance Plan.

The Compliance Officer is responsible for overseeing the MCHD Compliance Plan.

The respective roles and responsibilities of the Board of Directors, Compliance Officer, Compliance

Committee, managers and employees are outlined below:

1. Board of Directors

The Board will give its complete support and appropriate funding for the policies, procedures and personnel described in this Compliance Plan.

2. Compliance Committee

- a. Meet at least bi-annually to review the Standards of Conduct and monitoring activity;
- b. Receive and review reports of the Compliance Officer;
- c. Investigate any reports of suspected violations of the Compliance Plan;
- d. Provide guidance to employees on the Plan; and,
- e. Enforce the Plan through disciplinary or other action, as necessary.

3. Compliance Officer

- a. Know and understand all aspects of the Compliance Plan;
- b. Consult with the Compliance Committee or legal counsel when any requirement under the Plan is unclear, vague or outdated;
- c. Bring to the attention of the Compliance Committee all changes in circumstances, which could warrant modifying the Plan;
- d. Promptly carry out all assigned duties;
- e. Develop and implement compliance education and training for all employees;
- f. Provide guidance to employees on the Plan;
- g. Report to the Compliance Committee all material discoveries of noncompliance and the actions taken to respond to and prevent further instances of noncompliance; and,
- h. Coordinate all compliance activities.

4. Managers

Each manager will be familiar with the Plan, will communicate the Plan to his/her employees on a regular basis, and will provide guidance as circumstances require. Further, each manager will be responsible for understanding and communicating any changes to the Plan to his/her employees. All managers will be responsible for ensuring that their direct reports comply with all aspects of the Compliance Plan relating to their job functions. Managers who fail in this regard will be evaluated and disciplined accordingly.

5. Employees

All employees will be expected to adhere to the Compliance Plan as it relates to their job duties. Failure to comply with the Plan will result in disciplinary action, up to and including discharge.

IV. COMPLIANCE AND ENFORCEMENT PROCEDURES

The standards and procedures in this Plan provide a framework for defining appropriate standards of conduct for all employees. It is not possible to describe all instances of proper or improper conduct. If there is ever a question, employees should contact their supervisor, another member of management, or the Compliance Officer for guidance.

1. Training, Policies and Procedures

- a. The Compliance Officer will train employees within thirty (30) days of the date of employment. All employees will be required to participate in annual training. Compliance training is mandatory for all employees. The Compliance Officer will maintain an attendance log of each training session and a copy of all training materials. To verify participation in the training and understanding of the Compliance Plan, each employee will complete a Certificate of Compliance in initial and annual training.
- b. In addition to initial and annual compliance training, billing and clinical staff will receive specialized training on areas appropriate to their job duties, such as billing, coding, confidentiality and charting, to minimize the risk of fraud and abuse.
- c. The District will adopt policies and procedures which address areas that may pose potential fraud and abuse. Billing and clinical staff will be trained on these policies and procedures as they relate to the staff member's job duties. These policies and procedures will provide a means for the billing staff to communicate effectively and accurately with the clinical staff.

2. Monitoring, Reporting and Enforcement

- a. An employee who believes a directors, officers, medical staff members, employees, volunteers and contractors or business unit is violating any law, regulation or the Compliance Plan, or is engaging in activities which otherwise could damage MCHD's reputation must bring the information to the attention of his/her Supervisor, CEO/Administrator, Compliance Officer or the Compliance Committee immediately.

- b. An employee may report anonymously to any one or more of the following, as appropriate:
 - ✓ Compliance Officer
 - ✓ The Compliance Committee
 - ✓ Human Resources Department
 - ✓ MYECCHO-Ethics Hotline 888-384-4262 an anonymous telephone number which will be maintained on a 24-hour, 7-day basis
- c. MCHD wishes to assist and encourage prompt and full reporting of suspected violations without fear of retribution. Employees are encouraged to report all concerns (even if only a suspicion of a problem). There will be no retaliation against any employee for reporting a concern in good faith. The District's HR 25-403, Anti-Harassment policy will be enforced strictly. Upon conclusion of the investigation, the Compliance Officer will report the findings to those callers who are willing to provide their names.
- d. All reports of suspected violations received in any manner set forth above will be promptly reported to the Compliance Officer. The Compliance Officer will forward matters to the CEO who may consult the Compliance Committee. A designated member of the Compliance Committee will oversee the investigation of those matters and recommend appropriate corrective action. It is the responsibility of the Compliance Committee to ensure that the Plan is enforced in a fair and consistent manner.
- e. Because of the significant legal and ethical consequences of non-compliance with the Plan, the Compliance Committee will take enforcement action not only with respect to those who violate the Plan, but also with respect to those whose responsibility is to detect violations and who fail to respond appropriately.

V. STANDARDS OF CONDUCT

For purposes of the Compliance Plan, MCHD has established Standards of Conduct that are described below. These Standards of Conduct are supplemented by more detailed policies and procedures in certain departments and should be consulted as appropriate. The Standards of Conduct and the supplementary policies and procedures will be modified periodically to reflect changes in the law and the District's operations.

MCHD's standards of conduct are established for the guidance of all employees. The following represents only a partial list of unacceptable behaviors and conduct; a complete list of all possible violations would be impossible to write. Infractions will lead to corrective action up to and including discharge.

1. Falsifying any information on an employment application, time card, personnel, or other MCHD documents or records.
2. Unauthorized possession of District or employee property, gambling, carrying weapons or explosives, or violating criminal laws on MCHD owned or leased premises.

3. Fighting, display of anger or aggression, horseplay, practical jokes or other disorderly conduct which may endanger the well-being of any employee or MCHD operations.
4. Engaging in acts of dishonesty, fraud, theft or sabotage.
5. Intentionally threatening, intimidating, coercing, using abusive or vulgar language, or interfering with the performance of other employees or towards a member of the public.
6. Insubordination or refusal to comply with instructions or failure to perform reasonable duties which are assigned.
7. Unauthorized use of District material, time, equipment or property.
8. Damaging or destroying District property through careless or willful acts.
9. Conduct which the MCHD feels reflects adversely on the employee or MCHD.
10. Performance which, in the MCHD's opinion, does not meet the requirements of the position.
11. Engaging in such other practices as MCHD determines may be inconsistent with the ordinary and reasonable rules of conduct necessary to the welfare of MCHD, its employees or clients.
12. Negligence in observing fire prevention and safety rules.
13. Other circumstances for which the District feels that corrective action is warranted.
14. Other circumstances for which a certified individual may be suspended or de-certified.
15. Failure to protect any patient's confidentiality as to the patient's protected health information.
16. Violation of Policy HR 25-403, Anti-Harassment policy.

This list is intended to be representative of the types of activities which may result in corrective action. It is not intended to be comprehensive and does not alter the employment-at-will relationship between employees and MCHD.

VI. FINANCIAL REPORTING AND OTHER BUSINESS RECORDS

1. MCHD has established and maintains a high standard of accuracy and completeness in its financial records. These records serve as the basis for managing the District's business, for measuring and fulfilling the District's obligations to patients, employees, suppliers and others and for compliance with tax and financial reporting requirements.
2. MCHD complies with the recording requirements of all applicable federal, state and local laws, established financial standards and generally accepted accounting principles.
3. Audits of Financial and Medical Records
 - a. MCHD will conduct internal and external audits, as appropriate, to verify compliance with the Compliance Plan, applicable federal and state laws and regulations and rules, as follows:
 - ✓ Administrative staff will conduct an internal audit of medical record charts and billing charts periodically.

- ✓ Administration will engage an outside consultant(s) to audit financial records and controls annually and whenever circumstances indicate the possibility of systemic issues.
 - ✓ The Compliance Officer will engage an outside consultant to verify annually whether the Compliance Plan is periodically updated and distributed to employees and whether annual and specialized training for financial and clinical staff is conducted.
- b. The frequency and return of overpayments to Medicare will be reviewed in these audits to determine any systemic problems. In addition, these audits will cover areas that are targeted periodically by Medicare fiscal intermediaries or carriers and the Office of Inspector General (OIG).
- c. The results of any audit will be submitted to the Compliance Officer and Compliance Committee. In the event that the audit discloses a violation of the Compliance Plan or applicable federal and state laws and regulations, an investigation will be conducted and the issue will be remedied. The Compliance Officer will participate in the investigation and the determination of the appropriate remedy.
4. Improper Payments: Bribes and Kickbacks
- a. Payments or other items of any value in the nature of “kickbacks” or “bribes” intended to induce or reward favorable decisions or actions are not to be offered, made, solicited, received, or tolerated in connection with any of the District’s business.
- b. No director, officer, medical staff member, employee, volunteer or contractor of MCHD will offer or make, directly or indirectly through any other person or firm, any payment of anything of value (in the form of compensation, gift, contribution or otherwise) to:
- ✓ Any person or firm employed by or acting for or on behalf of any customer for the purpose of inducing or rewarding favorable action by the customer in any commercial transaction; or
 - ✓ Any person or firm employed by or acting for or on behalf of any governmental agency for the purpose of inducing or rewarding any action or the withholding of any action by such agency in any governmental matter.
- Nominal gifts such as business luncheons, key chains and so forth are not considered bribes or kickbacks.
- c. All payments will be made by check or electronic funds transfer and will be supported by written documentation in sufficient detail to identify the work or services performed on behalf of MCHD. Each person receiving payment for services rendered must agree to comply with all applicable laws in acting on MCHD’s behalf.
- d. The provisions of this Section do not apply to ordinary and reasonable business entertainment or gifts not of substantial value (i.e., less than \$25 in value, not to

exceed \$300 per year), customary in local business relationships and does not violate law. Any business entertainment or gifts which exceed \$25 in value must be reviewed and, to the extent possible, approved in advance by the Compliance Officer for appropriateness and reasonableness. If any gifts are received which exceed \$25 in value, the gifts will either be returned to the donor or reported to the Compliance Officer for appropriate disposition.

5. Medicare / Medicaid Anti-Fraud and Abuse Provisions

- a. Under federal law, it is unlawful for any person to solicit, offer, pay or receive anything of value to or from any other person to induce or in return for:
 - ✓ The referral of any individual to a healthcare provider or any other person for the furnishing of any item or service for which payment may be made under any governmental program, or
 - ✓ Obtaining the service or item for which payment may be made under any governmental program.
- b. MCHD will accept patient via 911 calls or referrals based solely on the patient's clinical needs and our ability to render the needed services. We do not pay or offer anything of value, directly or indirectly, to anyone—physicians, hospitals, or any other person—for referral of patients or steering of patients or business. Violation of this policy may have grave consequences for the District and the individuals involved. These consequences may include civil (money) and criminal (fines, jail, debarment, loss of licensure or certification, etc.) penalties and exclusion from providing services under governmental programs.
- c. Every financial agreement between MCHD and a physician or other referral source must be in writing and must be approved in accordance with the District's guidelines for such contracts. Under no circumstances will financial agreements be tied expressly, by implication or by "private understanding", to referrals of business. As a general rule, all payments between physicians or other providers who refer to MCHD should be consistent with fair market value for items or services rendered by the referral source and by the District.
- d. Other types of agreements with referral sources are subject to specific laws, exceptions, or safe harbors. To promote compliance with these requirements, all agreements with referral sources must be reduced to writing and approved as required by District policies.
- e. Federal and state fraud and abuse provisions also impact referrals from MCHD. For this reason, no employee or any other person acting on behalf of the District is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of patients. Similarly, when making patient referrals to another healthcare provider, we do not take into account the volume or value of referrals that the provider has made (or may make) to us.

6. Coding and Billing for Services

- a. MCHD will put in place systems to submit billings to government and to private insurance payors that are truthful and accurate and conform to the requirements

of federal and state laws and regulations. Included among those laws are the False Claims Act and laws prohibiting schemes to defraud a healthcare benefit program. Under the False Claims Act, any individual or organization that knowingly or recklessly submits a false claim for payment to a federal or state healthcare program may be subject to substantial fines and imprisonment. Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), a person who knowingly and willfully executes a scheme to defraud a healthcare benefit program, whether public or private, may be subject to substantial fines and imprisonment. Employees, medical staff members, volunteers and contractors are prohibited from knowingly presenting or causing to be presented claims for payment or approval that are false, fictitious, intentionally misleading, or fraudulent.

- b. Claims will be submitted for all services which have been documented and which were driven by a physician protocol or other appropriately licensed individual.
- c. MCHD will use diligent efforts to maintain a system that results in fair, reasonable and accurate claims submission, including the following specific objectives:
 - ✓ Billing only for items or services that are actually rendered;
 - ✓ Prevention of upcoding (the practice of using a billing code that provides a higher payment rate than a billing code that actually reflects the service furnished to the patient);
 - ✓ The submission of accurate cost reports;
 - ✓ Appropriate bundling of services which should be billed together;
 - ✓ Billing the appropriate rate and payor for patient transfers; and,
 - ✓ The creation and maintenance of supporting medical record documentation for services billed to patients or payors.
- d. MCHD will operate oversight systems designed to verify that claims are submitted only for services actually provided and that services are billed as provided. These systems will emphasize the importance of complete and accurate documentation. Even with the best of systems and well-trained personnel, billing errors will occur. As such errors are identified, the Billing Office will work with the Chief Financial Officer and the Compliance Officer to ensure that errors are corrected, that any necessary refunds are made and that system improvements are made, if appropriate.
- e. Should MCHD engage subcontractors to perform billing or coding services, they will be selected based on having the necessary skills, quality assurance processes, systems and appropriate procedures to submit billings for government and commercial insurance programs that are accurate and complete. MCHD prefers to contract with such entities that have adopted their own ethics and compliance programs that conform to government and payor standards. In the absence of an approved plan, the District will require that the subcontractor agree to abide by the Compliance Plan and the requirements of state and federal laws.

7. Cost Reports

MCHD will institute and abide by written policies and procedures which seek to ensure full compliance with applicable cost reporting statutes, regulations and program requirements and private payor plans requirements.

8. Bad Debt

- a. MCHD will have a mechanism to review, at least annually, reporting bad debts to Medicare and all Medicare bad debt expenses claimed to ensure that the District's procedures are in accordance with applicable federal and state statutes, regulations, guidelines and policies. In addition, the review will ensure that the District has appropriate and reasonable mechanisms in place regarding beneficiary deductible or co-payment collection efforts and has not claimed as bad debts and routinely waived Medicare copayments and deductibles. Furthermore, the District will consult with the appropriate fiscal intermediary as to bad debt reporting requirements, if questions arise.
- b. MCHD will have policies and procedures to provide for the timely and accurate reporting of Medicare, other federal healthcare programs and third party payor credit balances. The District will designate at least one person responsible for tracking, recording and reporting credit balances.

9. Conflicts of Interest

- a. MCHD prohibits actions or activities of an individual on behalf of the District that involve:
 - ✓ the obtaining of a personal gain or advantage by such individual (personally or indirectly through an immediate family member),
 - ✓ an adverse effect upon the interests of the District, or
 - ✓ the obtaining by a competitor of any advantage to the detriment of MCHD.
- b. The following are examples of some potential conflict of interest situations which may occur to an employee through an immediate family member:
 - ✓ Holding a financial interest in, being employed by, or engaging in activities on a consulting basis, or otherwise, with a firm which provides services, supplies or equipment to MCHD (except ownership of securities listed on a recognized stock exchange);
 - ✓ Speculating or dealing in services, equipment or supplies which are purchased by MCHD or if the individual stands to gain financially due to his/her position with the District;
 - ✓ Participating in any outside activity (for example, as an officer, director, consultant or employee) that could interfere with the performance of the individual's job duties and responsibilities, affect the individual's independent and objective judgement, or discredit MCHD; or

- Accepting favors, gifts, or entertainment, which others may perceive to be substantial enough to influence such individual's selection of goods or services for MCHD, or to influence such individual's judgment in otherwise representing the District.
- c. All conflict of interest questions should be disclosed to the appropriate manager pursuant to the procedures outlined in this plan. Corrective action generally will include focus on eliminating the conflict of interest between the individual and the District. Appropriate disciplinary actions will also be taken, including the termination of employment of the employee and/or contracts and relationships with suppliers, contractors and other parties involved in such conflicts.

10. MCHD Assets

- a. Employees are responsible for protecting District assets from loss, theft, or misuse. Employees may use equipment, funds, supplies, facilities and other assets only for legitimate reasons on behalf of MCHD. Assets are not to be used for an employee's personal benefit unless part of the CEO employment offer.
- b. Employees are expected to comply with the specific security measures and internal controls established for protecting the integrity and validity of computer systems and data. All information stored on District computer systems or created for the purpose of conducting District business is confidential. This material includes, but is not limited to, business records, employee records, patient records and information regarding District assets. Sharing of this or other confidential information is prohibited. Inappropriate or offensive communications and/or using the computer system to transmit or disseminate information relating to sexual conduct, offensive language, racial slurs, derogatory remarks, hate groups, or any material that reflects negatively on MCHD, its employees, medical staff members, volunteers or contractors is prohibited. The District monitors employees' use of these systems. No employee should have an expectation of privacy in the information contained in their computers.

11. Political Activity

No payment, gift, or contribution may be made or authorized to be made with District funds or resources (either directly or through employee expense reimbursement) to any candidate for public office campaign, fund, public official, political party or organization, unless such payment, gift or contribution is expressly permitted by state and federal law. The board must approve any such actions in advance.

12. Antitrust

MCHD complies strictly with federal and state antitrust laws in order to promote free and fair competition. Because it is not always clear whether a business practice may violate antitrust laws, employees should consult their supervisor for advice whenever they face a business issue raising possible antitrust concerns.

- a. MCHD strictly limits relationships with competitors. Any understanding or agreement (including any agreement implied from a course of conduct) with any competitor to fix prices, agree on labor costs, allocate markets or engage in group boycotts is prohibited. Because the antitrust risk is so high, discussing or exchanging the following information with a competitor is prohibited:
 - ✓ any aspect of pricing, including maximum or minimum prices, discounts, or
 - ✓ credit or payment terms;
 - ✓ any other terms of sale;
 - ✓ services to be provided in the market;
 - ✓ any division of markets by geographic area or types of customers served or services provided;
 - ✓ key costs, such as labor costs; and,
 - ✓ other non-price information, such as marketing and development plans.

13. Health, Safety and Environmental Requirements

- a. MCHD complies with all applicable health, safety and environmental laws and regulations. Managers and employees are expected to understand those requirements that apply to their areas of responsibility and to seek advice from their supervisor whenever they face an issue raising possible health, safety or environmental concerns.
- b. Employees should advise their supervisors of any workplace injury, the discharge of any hazardous substances into the environment, or any situation presenting a danger of injury or discharge. In many instances, the District must report such events to governmental agencies quickly and accurately.

14. Excluded Parties

- a. Healthcare providers and other entities may not employ or enter into contracts with individuals or entities that are excluded from participation in federal or state healthcare programs. Providers also should not employ individuals or entities who may be subject to imminent mandatory or permissive exclusion.
- b. MCHD will not knowingly employ or contract with such individuals or entities that are excluded or who are subject to exclusion. The District will require individuals applying for employment or medical staff membership or renewal of membership to disclose in their application any criminal conviction related to the above or exclusion action. The District will also screen the individual or entity for exclusion before entering into an employment or contractual relationship or granting or renewing medical staff membership and periodically thereafter. The District will verify that no medical staff member is listed in the National Practitioner Data Bank (“NPDB”).

15. Equal Employment Opportunities

MCHD is an equal opportunity employer. In the administration of employment policies and practices, the District will not discriminate against any employee or applicant for employment because of race, color, national origin, sex, religion, age, veteran status, or disability. We take steps to ensure that applicants are hired and employees are treated in a nondiscriminatory manner. Our commitment to equal opportunity applies to all aspects of employment including, but not limited to, recruitment, retention, promotion, compensation, benefits and training.

16. Harassment in the Workplace

MCHD strictly prohibits harassment in any form. The District is committed to providing a work environment that is free from inappropriate conduct of a sexual nature or otherwise. Sexual misconduct and harassment are illegal and unprofessional. Individuals who engage in such behavior will be subject to disciplinary action, including termination of employment or medical staff privileges.

17. Workplace Violence

MCHD strives to provide employees, physicians and contractors with a safe work environment. Violence and threatening behavior in the workplace are not tolerated. Individuals who are involved in violent actions against other individuals or who direct verbal or written threats at other individuals will be subject to disciplinary action, including discharge.

18. License and Certification Renewals

Employees and independent contractors, such as physicians, paramedics and nurses who are employed or engaged in positions which require professional licenses, certifications, or other credentials, are responsible for maintaining the current status of their credentials. Employees and independent contractors will comply at all times with federal and state requirements applicable to their respective disciplines. To assure compliance, MCHD may require evidence of the individual having a current license or other documentation of credential status. MCHD does not hire or engage individuals who do not hold current licenses or other credentials.

19. Volunteers

The use of volunteers is an exceptional way to involve the local community in our services. Volunteers must be credentialed prior to providing services. Volunteers are required to sign a statement acknowledging that they are volunteers and not employees of MCHD and acknowledging that they will receive no compensation for their services as a volunteer.

20. Proprietary and Confidential Information

- a. Employees are responsible for safeguarding proprietary and confidential information. As a general rule, any information or matters not publicized by MCHD will be viewed as confidential. Employees should never give confidential patient, business, customer or employee information to people outside the District, or even to employees who have no need to know. Former employees have a continuing obligation to safeguard such information.
- b. Employees should not use confidential, non-public District information for personal gain or disclose the information to any unauthorized person. In addition, employees should not speak with journalists, financial analysts, or shareholders on behalf of MCHD unless authorized to do so.

21. Intoxicants, Drugs and Narcotics

MCHD is committed to a drug and alcohol-free workplace. A comprehensive policy prohibiting the use and/or possession of intoxicants, drugs and narcotics has been adopted and must be complied with. It is each employee's responsibility to report unsafe or hazardous conditions that are caused by the use or possession of intoxicants, drugs, or narcotics.

22. Accrediting, Surveys and Government Investigations

- a. MCHD will deal with government licensing agencies and private accrediting entities in a direct, open and honest manner. We support continuous compliance with accrediting and licensing standards and will monitor compliance with those standards in accordance with established policies and procedures. No action will be taken and no statements made which could mislead accreditors or surveyors either directly or indirectly.
- b. MCHD expects all medical staff and employees to cooperate in government investigations. It is essential, however, that the legal rights of MCHD, its employees and medical staff be protected. An individual who receives a subpoena, inquiry, or other legal document from any government agency regarding MCHD's business or patients must immediately notify his/her supervisor, department head, CEO/Administrator or Compliance Officer. An individual who is contacted by a government agency or attorney concerning MCHD has the legal right to decline to be interviewed until he/she is able to speak with legal counsel. MCHD will arrange for legal counsel to advise the individual and District, accompany him/her to any interview with a government agent if the individual so wishes. An employee or medical staff member should inform his/her supervisor, department head, CEO/Administrator or Compliance Officer immediately if contacted by a government official regarding District-related business.

- c. A medical staff member or employee who is aware of an imminent or ongoing investigation, audit or examination initiated by MCHD or any government agency should retain all documents (including computer records) in his/her custody or control relating to the matter under review. The destruction or falsification of a document in order to impede a government investigation, audit or examination may lead to prosecution for obstruction of justice. Any questions regarding whether a document can be destroyed should be addressed to a supervisor, department head, CEO/Administrator or Compliance Officer.
- d. Sometimes the government has a concern, which it believes requires the immediate onsite review or removal of certain organization documents or other information. When that occurs, the government may send agents to collect that information. In this event, employees or medical staff should immediately call the most senior manager available, the CEO/Administrator, Compliance Officer or any member of the Compliance Committee for direction.

23. Compliance with Other Legal and Regulatory Requirements

- a. MCHD is in the business of providing emergency medical services. These services generally may be provided only pursuant to appropriate federal, state, licenses, permits and accreditation. These services are subject to numerous laws, rules and regulations, consent to treatment, medical recordkeeping, access and confidentiality, patients' rights, medical staff membership and clinical privileges, and Medicare or Medicaid regulations. Like other businesses, MCHD is subject to federal and state labor statutes and discrimination laws, securities laws and regulations, consumer protection laws, tax laws and general and professional liability laws. The District will comply with these regulatory, local, state and federal requirements, as applicable.
- b. Every employee will be familiar with the legal and regulatory requirements applicable to his/her area of responsibility. Employees should consult with their supervisor, the Compliance Officer, CEO/Administrator or any member of the Compliance Committee for assistance in interpretation whenever they face an issue raising possible legal or regulatory concerns.

VII. CLINICAL GUIDELINES

MCHD will insure that clinical services are delivered in compliance with federal and state statutes and regulations that govern the healthcare industry. To that end, MCHD has developed Clinical Services Standards of Conduct to ensure compliance in the delivery of clinical services.

1. Medical Necessity

The District, along with medical staff, will assure that only those services that are medically necessary are provided to patients.

2. Clinical Documentation

All clinical employees will be trained in and will prepare the appropriate documentation that accurately and fully charts the status, treatment and disposition of each patient. The District prohibits inaccurate charting techniques.

3. Patient Care and Rights

- a. MCHD's mission is to care for the indigent and provide EMS services while protecting the interest of the taxpayers and insuring long-term stability through fund development. Our vision is cost effective indigent care and taxpayer supplemented EMS with total professionalism administered through an elected Board of Directors. We will work hard to treat all patients with respect and dignity and provide care that is both necessary and appropriate. We will make no distinction in the care we provide based on race, color, sex, sexual orientation, gender identity, age, veteran status, disability, religion, or national origin. Clinical care will be based on identified patient healthcare needs, not on patient or organization economics.
- b. As applicable and appropriate, each patient or patient representative will be provided with a clear explanation of care including, but not limited to, the right to refuse or accept care or transport, available destinations for different types of care, and an explanation of the risks and benefits associated with available treatment options. Patients have the right to request a transfer to the facility of choice. If a patient requests a transfer to a hospital other than the closest facility, the patient or family, as appropriate, will be given an explanation of the benefits, risks and alternatives to transfer prior to making their final decision.
- c. To the extent of the MCHD's capabilities, patients will be accorded appropriate privacy, security and protective services, and opportunity for resolution of complaints.

4. Patient Information

MCHD complies with the Health Information Portability and Accountability Act of 1996 (HIPAA) in all respects. The District has detailed policies and procedures on issues such as patient privacy, consent, disclosure, reporting and related matters. All employees are expected to comply with the District's procedures on these important matters. In addition to and incorporated as a part of the District's policies and procedures, employees and medical staff members are bound by professional ethical standards and state and federal legal requirements regarding the confidentiality of patient information. MCHD is committed to maintaining the confidentiality of patient information and will not release such information without patient consent, unless specifically authorized or required to do so under state or federal law. The District will maintain necessary electronic security to safeguard the confidentiality and integrity of patient information.

CERTIFICATE OF COMPLIANCE


I hereby affirm that I have read the Montgomery County Hospital District Compliance Plan (the “Compliance Plan”), and attended training regarding the Compliance Plan. By executing this Certificate, I hereby acknowledge my obligation and agreement to fulfill those duties and responsibilities as set forth in the Compliance Plan and to be bound by its standards and procedures. I further certify that to the best of my knowledge and belief, I have complied and agree to continue to comply with the standards and procedures of the Compliance Plan, am not aware of any violations of the Compliance Plan, and agree to promptly notify the Compliance Officer, the Compliance Committee if I become aware of any real or suspected violations of the Compliance Plan. I further certify that throughout the remainder of my association with the District, I will continue to comply with the terms of the Compliance Plan. I understand that violations of the Compliance Plan may lead to disciplinary action, up to and including termination.

Print name clearly

Employee ID

Signature

Date

	Records Management Policy	Page 1 of 2
Department	Policy Number	CAAS Reference Number
Records	REC 26-115	

Montgomery County Hospital District
RECORDS MANAGEMENT POLICY

The Texas Local Government Records Act (Title 6, Subtitle C, Local Government Code), provides that each local government must establish an active and continuing records management program; and the **Montgomery County Hospital District** desires to adopt a plan to prescribe policies and procedures consistent with the Local Government Records Act and in the interests of cost-effective and efficient recordkeeping; now therefore:

SECTION 1. DEFINITION OF RECORDS OF THE Montgomery County Hospital District. All documents, papers, letters, books, maps, photographs, sound or video recordings, microfilm, magnetic tape, electronic media, or other information-recording media, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by the **Montgomery County Hospital District** or any of its officers or employees pursuant to law or in the transaction of public business, are declared to be the records of the **Montgomery County Hospital District** and shall be created, maintained, and disposed of in accordance with the provisions of this ordinance or procedures authorized by it and in no other manner.

SECTION 2. RECORDS DECLARED PUBLIC PROPERTY. All records as defined in Sec. 1 of this plan are declared to be the property of the **Montgomery County Hospital District**. No official or employee of the **Montgomery County Hospital District** has, by virtue of his or her position, any personal or property right to such records even though he or she may have developed or compiled them. The unauthorized destruction, removal from files, or use of such records is prohibited.

SECTION 3. POLICY. It is declared to be the policy of the **Montgomery County Hospital District** to provide for efficient, economical, and effective controls over the creation, distribution, organization, maintenance, use, and disposition of all records of this office through a comprehensive system of integrated procedures for the management of records from their creation to their ultimate disposition, consistent with the requirements of Federal and the Local Government Records Act and accepted records management practice. This policy shall apply to all employees, agents, independent contractors, and volunteers of the Montgomery County Hospital District.

SECTION 4. RECORDS MANAGEMENT OFFICER. The **Records Manager/Compliance Officer** will serve as Records Management Officer for the **Montgomery County Hospital District** as provided by law and will develop policies and procedures to ensure that the maintenance, preservation, security, destruction, electronic storage, and other disposition of the records of this office are carried out in accordance with the requirements of the Local Government Records Act.

Title of Policy Records Management Policy	Policy Number REC 26-115	Page 2 of 3
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SECTION 5. RECORDS CONTROL SCHEDULES. Appropriate records control schedules issued by the Texas State Library and Archives Commission shall be adopted by the Records Management Officer for use in **Montgomery County Hospital District**, as provided by law. The Records Management Officer shall prepare amendments to the schedules as needed to reflect new records created or received by this office, or revisions to retention periods established in a records retention schedule issued by the Commission. Any destruction of records of the **Montgomery County Hospital District** will be in accordance with these schedules and the Local Government Records Act.

Montgomery County Hospital District, Declaration of Compliance retention schedules, adopted March 5, 1997:

- Schedule GR (Records Common to All Governments)
- Schedule EL – (Election & Voter Registration Records)
- Schedule HR (Records of Public Health Agencies)
- Schedule PS (Records of Public Safety Agencies)

Original Date 01/27/1997 Review/Revision Date 09/2022 X Supersedes all Previous Approved Compliance Committee: 8/31/22 Approved Board of Directors: 09/27/22
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Form SLR 508 – Declaration of Compliance

with the Records Scheduling Requirement of the Local Government Records Act

Part 1: Records Management Officer (RMO) Contact

MAY 19 2022

CAUTION: Before filling out this form, make sure the records management policy approved by your governing body under Local Government Code (LGC) §203.026 designates your position as the Records Management Officer (RMO). If the position or person designated as RMO in the policy has changed, submit a new policy with this form.

RMO Name:		Local Government Name:	
Donna R. Daniel		Montgomery County Hospital District	
RMO Title and Position Designated in Policy:		Mailing Address:	
Records Management Officer		P.O. Box 478	
Business Email Address:	Phone Number:	City:	Zip Code:
Ddaniel@mchd-tx.org	936-523-5016	Conroe	77305

Please subscribe me to The Texas Record blog for news and training information. <https://www.tsl.texas.gov/slr/blog/>

Part 2: Local Government Certification

As records management officer, I understand I shall assist in establishing and developing policies and procedures for the records management program for the local government and ensure compliance with duties of records management officer (LGC §203.023), Electronic Standards and Procedures (LGC §205.002); and Microfilming Standards and Procedures (LGC §204.002).

I hereby declare records control schedules have been prepared for all records as required by LGC §203.041(a). I certify the schedules comply with the minimum requirements established on records retention schedules issued by the Texas State Library and Archives Commission (as checked below) and no retention period on the records control schedules is less than a retention period prescribed by a state or federal law, regulation, or rule of court.

I declare this local government complies with the following retention schedules:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Schedule GR (Records Common to All Governments) | <input type="checkbox"/> Schedule LC (Justice and Municipal Courts Records) |
| <input type="checkbox"/> Schedule CC (Records of County Clerks) | <input checked="" type="checkbox"/> Schedule PS (Records of Public Safety Agencies) |
| <input type="checkbox"/> Schedule DC (Records of District Clerks) | <input type="checkbox"/> Schedule PW (Records of Public Works and Services) |
| <input checked="" type="checkbox"/> Schedule EL (Elections & Voter Registration Records) | <input type="checkbox"/> Schedule SD (Records of Public School Districts) |
| <input checked="" type="checkbox"/> Schedule HR (Records of Public Health Agencies) | <input type="checkbox"/> Schedule TX (Records of Property Taxation) |
| <input type="checkbox"/> Schedule JC (Records of Public Junior Colleges) | <input type="checkbox"/> Schedule UT (Records of Utility Services) |

RMO Signature:	Date:
	APRIL 20, 2022

For use by Texas State Library and Archives Commission Staff Only

This Declaration of Compliance has been accepted for filing:

- pursuant to Local Gov. Code §§203.025 and 203.041(a)(2). A record appearing on a valid records control schedule may be disposed of at the expiration of its retention period without additional notice to the director and librarian as described in §202.001(a)(1), subject to the provisions of §203.041(d)
- subject to the conditions stated in the accompanying letter.

Name:	Title:	Signature:	Date:
Megan Carey	RMA Manager		05/04/2022

170 20 001 SEC

Board Resolutions

Resolution No.	Resolution(s)	Date Approved	Category
ADM	Administration		
008-ADM-12/15/2015	By-Laws Amendment - regarding Authority of Board Members	12/15/15	Administration
007-ADM-06/24/2014	Ethics Policy & Resolution	06/24/14	Administration
006-ADM-09/10/2013	Montgomery County Health Facilities Development Corporation - New Directors	09/10/13	Administration
009-ADM-10/22/2024	Montgomery County Hospital District Resolution Adopting Policy HR 25-512 Prohibiting Usage of Certain Social media Applications on District-Owned, Leased or Rented Devices	10/22/24	Administration
004-ADM-01/23/2007	National Incident Management (NIMS)	01/23/07	Administration
003-ADM-01/20/2004	Proper Spokesman Resolution	01/20/04	Administration
005-ADM-05/28/2013	Public Information Request Pursuant to the Texas Government Code Section 552.275 - Limit the expenditure of time and uncompensated resources when responding to Public Information Request	05/28/13	Administration
001-ADM-07/15/2003	Public Participation at Board Meetings	07/15/03	Administration
002-ADM-09/16/2003	Records Retention Policy Resolution	09/16/03	Administration
ELE	Election		
001-ELE-07/26/2011	Election of Directors - Change in Election Date	07/26/11	Election
EMS	EMS		
001-EMS-12/10/2019	Performance Improvement Committee for EMS	12/10/19	EMS
FIN	Finance		
008-FIN-09/10/2013	Financing by The Woodloch Health Facilities Development Corporation	09/10/13	Finance
005-FIN-09/27/2011	GASB 54 Governmental Account Stanadrd Board Policy	09/27/11	Finance
006-FIN-12/20/2011	Goods In Transit	12/20/11	Finance
002-FIN-09/16/2003	Openness in Government Resolution #5: Money in the Minutes	09/16/03	Finance
003-FIN-11/23/2004	Operating Fund Surplus	11/23/04	Finance
007-FIN-05/22/2012	Purchasing Policy (Including revisions made thereto as a result of acts of the 82nd Texas Legislature	05/22/12	Finance
004-FIN-06/17/2008	Purchasing Policy to Provide for Updated Charge Card Procurement Alternatives	06/17/08	Finance
001-FIN-05/12/2003	Remove MCHD from Tax Rolls	05/12/03	Finance
009-FIN-02/25/2020	Roman Forest Untility District	02/25/20	Finance
FIN	Finance - Non MCHD		
001-FIN-NonMCHD-05/17/2001	Memorial Herman The Woodlands Hospital	04/17/01	Finance - Non MCHD
002-FIN-NonMCHD-08/21/2007	St. Luke's Community Medical Center/The Woodlands - Consenting to Action by Harris County Health Facilities Development Corporation to Cause Renovations of Improvements to and Acquisition of Additional Equipment	08/21/07	Finance - Non MCHD
IND	Indigent Care		
001-IND-08/17/2004	Establishing rules and policies regarding reimbursement to Non-Mandated Health Care Providers for treatment of HCAP patients	08/17/04	Indigent Care
003-IND-01/27/2014	Health Care Insurance Gap and FQHC Funding	01/27/14	Indigent Care
002-IND-04/07/2007	Health Care Programs offered by the District, including the Health Care program promulgated under Chapter 61 of the Texas Health & Safety Code	04/17/07	Indigent Care
004-IND-12/10/2019	Performance Improvement Committee for Indigent Care	12/0/2019	Indigent Care
LEG	Legislative		
005-LEG-03/21/2021	Support of H.B. 582 Pending	03/23/21	Legislative
006-LEG-03/23/2021	Support of H.B. 3644 pending	03/23/21	Legislative

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS AMENDING THE BY-LAWS OF THE GOVERNING BOARD REGARDING AUTHORITY OF BOARD MEMBERS

WHEREAS, the Montgomery County Hospital District maintains a set of By-Laws for guidance of the District; and

WHEREAS, the Montgomery County Hospital District's enabling legislation allows the Board of Directors to adopt rules when needed in furtherance of the mission of the District; and

WHEREAS, the Montgomery County Hospital District Board of Directors has previously adopted bylaws governing the procedures and conduct of the Board; and

WHEREAS, by a record vote taken on September 22, 2015, the Montgomery County Hospital District Board of Directors amended Article II, Section 3 of its By-Laws to add additional provisions regarding the authority of members of the Board of Directors in connection with day-to-day operations of the District; and

WHEREAS, the Board of Directors seeks to amend and revise its By-Laws regarding those provisions approved on September 22, 2015;

NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Amendment of By-Laws.** The By-Laws of the Governing Board of the Montgomery County Hospital District are hereby amended and revised by the amendment to Article II, Section 3 attached hereto as Exhibit "A", which is hereto adopted and incorporated into the By-Laws by reference. The By-Laws amendment approved on September 22, 2015 is hereby replaced and superseded by this Resolution and Exhibit "A" appended hereto.

BE IT SO RESOLVED.

Passed and Approved this 15 day of DECEMBER 2015, by a vote of 5 in favor and 0 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL
DISTRICT BOARD OF DIRECTORS**

ABSENT

Harold Posey, Chairman

Mark Cole

Mark Cole, Vice Chairman

Sandy Wagner

Sandy Wagner, Secretary

ABSENT

Chris Grice, Treasurer

Kenn Fawn

Kenn Fawn, Member

Bob Bagley

Bob Bagley, Member

Georgette Whatley
Georgette Whatley, Member

Attest:

Donna Daniel

Donna Daniel, Board Liason

EXHIBIT "A"

ARTICLE II, Section 3, is hereby amended to read as follows:

Section 3. Authority.

a. Board Members shall have no authority except when functioning as a member of the Board in an official meeting. No individual member of the Board may exercise authority with respect to the operation of the Health Care Assistance Program, Public Health Department and Clinic, or the Emergency Medical Service or of services Montgomery County Hospital District employees by virtue of their status as Board Members.

b. Board members must follow established MCHD policies applicable to MCHD personnel at all times when on District property (whether owned or leased) and/or at a location where MCHD personnel are performing their prescribed duties, except to the extent such policies conflict with these Bylaws.

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S
BOARD OF DIRECTORS ADOPTING AN ETHICS POLICY**

WHEREAS, the Board of Directors of the Montgomery County Hospital District desire to adopt an Ethics Policy for guidance and accountability concerning District officials and employees; and

WHEREAS, the Board of Directors of the Montgomery County Hospital District and District officials are subject to various laws concerning ethical conduct such as Section 255.003 of the Texas Election Code and Chapter 176 of the Texas Local Government Code; and

WHEREAS, the Board of Directors of the Montgomery County Hospital District desire to establish clear ethical standards for District officials and employees by and through an Ethics Policy so as to ensure a high standard of ethical conduct in carrying out their duties and responsibilities on behalf of the District and its residents;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Adoption of Amendments to Existing Ethics Policy.** The Montgomery County Hospital District Ethics Policy attached hereto as "Exhibit A", is approved and adopted to be effective immediately upon passage, such Ethics Policy to apply to District officials and employees until such time as this policy is amended or repealed by further action of the Board of Directors.
3. **Open Meetings.** The Board of Directors finds that the meeting at which this Resolution was passed was held in strict compliance with the Texas Open Meetings Act, ch. 551, Tex. Gov't Code.

BE IT SO RESOLVED.

Passed and Approved this 24 day of JUNE, 2014.

**MONTGOMERY COUNTY HOSPITAL
DISTRICT**

By: Kenn Fawn
Kenn Fawn, Chairman

Attest:

Sandra Wagner
Board Secretary

Exhibit A

Montgomery County Hospital District
Ethics Policy
June 2014

Montgomery County Hospital District

Ethics Policy

Table of Contents

Part A: Declaration of Policy

Section 1 - Statement of Purpose

Section 2 – Personnel Policy and Purchasing Policy Control

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Section 3 Confidential Information

Section 4 Representation of Private Interests

Section 5 Conflicting Outside Employment

Section 6 Public Property and Resources

Section 7 Political Activity

Part C: Violations

Montgomery County Hospital District

Ethics Policy

Part A: Declaration of Policy

Section 1 - Statement of Purpose

It is essential in a democratic system that the public have confidence in the integrity, independence, and impartiality of those who act on their behalf in government. Such confidence depends not only on the conduct of those who exercise official power, but on the availability of aid or redress to all persons on equal terms and on the accessibility and dissemination of information relating to the conduct of public affairs. For the purpose of promoting confidence in the Montgomery County Hospital District ("District") and thereby enhancing the District's ability to function effectively, this ethics policy is adopted. The policy establishes standards of conduct relating to District officials and employees whose actions inevitably affect public faith in local government, such as former District officials and employees, candidates for public office. By prohibiting conduct incompatible with the District's best interests and minimizing the risk of any appearance of impropriety, this policy furthers the legitimate interests of democracy. For purposes of this policy, District officials include Board Members of the Montgomery County Hospital District.

Section 2 – Personnel Policy and Purchasing Policy Control

The District's Personnel Policy and the District's Purchasing Policy shall control over this Ethics Policy if a conflict arises between the Policies.

Part B: Present District Officials and Employees

Section 1 - Improper Economic Benefit

- a. **General Rule.** To avoid the appearance and risk of impropriety, a District official or employee shall not take any official action that he or she knows is likely to affect the economic interests of:
1. himself or herself,
 2. a member of his or her family,
 3. a business or organization that the District official or employee has a financial interest in or is planning to acquire a financial interest with.

- b. **Recusal and Disclosure.** A District official or employee whose conduct would otherwise violate Subsection a. must recuse himself or herself. From the time that the conflict is, or should have been recognized, he or she shall:
1. immediately refrain from further participation in the matter, including discussions with any persons likely to consider the matter; and
 2. promptly disclose the issue in writing to the District's official record keeper and disclose the nature and extent of the prohibited conduct.

A supervised employee shall promptly bring the conflict to the attention of his or her supervisor, who will then, if necessary, reassign responsibility for handling the matter to another person.

c. **Abstention of District Officials.**

Additionally, under Chapter 171 of the Texas Government Code, District officials are required to submit an affidavit of abstention and abstain from voting as follows:

§ 171.004. Affidavit and Abstention From Voting Required

- (a) If a District official has a substantial interest in a business entity or in real property, the District official shall file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:
- (1) in the case of a substantial interest in a business entity the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
 - (2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
- (b) The affidavit must be filed with the District's official record keeper.
- (c) If a District official is required to file and does file an affidavit under Subsection (a), the District official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the District is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.

§ 171.005. Voting on Budget

- (a) The District shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a District official has a substantial interest.
- (b) Except as provided by Section 171.004(c), the affected District official may not participate in that separate vote. The District official may vote on a final budget if:
 - (1) the person has complied with this chapter; and
 - (2) the matter in which the person is concerned has been resolved.

§ 171.002. Substantial Interest in Business Entity

- (a) For purposes of this chapter, a person has a substantial interest in a business entity if:
 - (1) the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity; or
 - (2) funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.
- (b) A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.
- (c) A District official is considered to have a substantial interest under this section if a person related to the District official in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a substantial interest under this section.

Section 2 - Unfair Advancement of Private Interests

General Rule. A District official or employee may not use his or her official position to unfairly advance or impede private interests, or to grant or secure, or attempt to grant or secure, for any person (including himself or herself) any form of special consideration, treatment, exemption, or advantage beyond that which is lawfully available to other persons.

Section 3 - Confidential Information

- a. **Improper Access.** A District official or employee shall not use his or her position to obtain official information about any person or entity for any purpose other than the performance of official duties.
- b. **Improper Disclosure or Use.** A District official or employee shall not intentionally, knowingly, or recklessly disclose any confidential information gained by reason of said official's or employee's position concerning the property, operations, policies or affairs of the District. This rule does not prohibit:
 - 1. any disclosure that is no longer confidential by law; or
 - 2. the confidential reporting of illegal or unethical conduct to authorities designated by law.

Section 4 - Representation of Private Interests

- a. **Representation by a Member of the Board.** A District official or employee shall not represent any person, group, or entity:
 - 1. before the board or other related District body;
 - 2. before District staff having responsibility for making recommendations to, or taking any action on behalf of, that board or body, unless the board or body is only advisory in nature; or
 - 3. before a board or other District body which has appellate jurisdiction over the board or body of which the District official or employee is a member, if any issue relates to the official's or employee's official duties.

Section 5 - Conflicting Outside Employment

- a. **General Rule.** A District official or employee shall not solicit, accept, or engage in concurrent outside employment which could reasonably be expected to impair independence of judgment in, or faithful performance of, official duties.
- b. **Special Application.** The following special rule applies in addition to the general rule: A District official or employee shall not provide services to an outside employer related to the official's or employee's District duties.

Section 6 - Public Property and Resources

A District official or employee shall not use, request, or permit the use of District facilities and premises, personnel, equipment, or supplies for private purposes (including political purposes), except:

- a. pursuant to duly adopted District policies, or
- b. to the extent and according to the terms that those resources are lawfully available to the public.

Section 7 - Political Activity

- a. **Influencing Subordinates.** A District official or employee shall not, directly or indirectly, induce or attempt to induce any District subordinate of the official or employee:

1. to participate in an election campaign, contribute to a candidate or political committee, or engage in any other political activity relating to a particular party, candidate, or issue, or
2. to refrain from engaging in any lawful political activity.

A general statement merely encouraging another person to vote or participate does not violate this rule.

- b. **Official Vehicles.** A District official or employee shall not display or fail to remove campaign materials on any District vehicle under his or her control.

- c. **Individual Involvement in Campaigns.** A District official or employee, in their individual capacity, may involve themselves in support or in opposition to political candidates and campaigns pursuant to the following provisions:

1. Individual political activity must not interfere with the official's or employee's duties or responsibilities to the District.
2. A District official or employee shall not use their District affiliation in connection with their individual political activity such that a reasonable person would think that the District has endorsed the activity or person (example: an endorsement in a political advertisement).

- d. **Use of MCHD Facilities and Resources:**

1. A District official or employee may not use or provide District resources including, but not limited to office space, property, telephones, computers, printers, technology, photocopying, or personnel to support or oppose a political candidate, campaign, political party, political action committee or group.
2. A District official or employee may not use District letterhead or email in support of or in opposition to a candidate, campaign, political party, or political action committee. Unsolicited interoffice communications, including but not limited to email, texting, and other digital communications, in support of or against a

political candidate, campaign, political party, political action committee or group are prohibited.

3. A District official or employee may not place political advertising (e.g. signage) on District property, and no political candidate will be permitted to place political advertising on District property.

Part C: Violations

Upon a finding by the Board of Directors that a District official or employee has violated a provision of this Ethics Policy, the Board of Directors may refer the matter to other governmental agencies with jurisdiction over such matters for further investigation and prosecution as is allowed by law. In addition, District employees who are found to have violated any provision of this Ethics Policy may be subject to appropriate discipline in accordance with the District's Personnel Policy.

PASSED AND APPROVED by the Board of Directors of the Montgomery County Hospital District on the 24 day of JUNE, 2014.

ADMINISTRATION
9/10/2013

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT TO
APPOINT NEW DIRECTORS TO THE MONTGOMERY COUNTY HEALTH
FACILITIES DEVELOPMENT CORPORATION**

WHEREAS, the Montgomery County Hospital District is a government body authorized to create a non-profit Health Facilities Development Corporation pursuant to Chapter 221 of the Texas Health & Safety Code; and

WHEREAS, pursuant to Chapter 221 of the Texas Health & Safety Code, the Montgomery County Hospital District approved the creation of the Montgomery County Health Facilities Development Corporation which was created through the filing of articles of incorporation with the Texas Secretary of State on July 26, 1982; and

WHEREAS, the Board of Directors of the Montgomery County Hospital District seeks to remove and replace the current directors of the Montgomery County Health Facilities Development Corporation with a slate of new directors, per its authority to do so under section 221.024(d) of the Texas Health & Safety Code;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:**

1. **Approval Of Recitals As Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Removal of Current Board Members of the Montgomery County Health Facilities Development Corporation Without Cause.** The current directors of the Montgomery County Health Facilities Development Corporation are hereby removed without cause pursuant to section 221.024(d) of the Texas Health & Safety Code.
3. **Appointment of New Directors To The Montgomery County Health Facilities Development Corporation.** The persons named below shall serve as directors of the Montgomery County Health Facilities Development Corporation upon their acceptance of such positions and having qualified for such positions in the manner as may be required by law.

<p><i>new</i> <i>Mr.</i></p> <p>Rigby Owen, Jr.</p> <p>Morris Straughan</p> <p>Roger Galatas</p> <p>Debbie Glenn</p> <p>Mark Cole</p>	<p><i>Gregory Woolley</i></p> <p><i>Abdul-Razak</i></p> <p><i>Mark Cole</i></p>
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**MONTGOMERY COUNTY HOSPITAL DISTRICT
RESOLUTION NO. 009-ADM-10/22/2024**

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT, MONTGOMERY COUNTY, TEXAS, ADOPTING A POLICY PROHIBITING USAGE OF CERTAIN SOCIAL MEDIA APPLICATIONS ON CITY-OWNED, LEASED, OR RENTED DEVICES WITH THE INTENT OF FOLLOWING TEXAS GOVERNMENT CODE CHAPTER 620.

WHEREAS, Under Texas S.B. 1893, the Montgomery County Hospital District (“MCHD”) is required to adopt a policy prohibiting the installation or use of certain social media application covered by Chapter 620 of the Texas Government Code on any device owned or leased by the MCHD and requiring removal of the application from those devices if already installed; and

WHEREAS, The Board of Directors of the Montgomery County Hospital District wishes to adopt the attached “Covered Applications and Prohibited Technology Policy” attached hereto as Exhibit “A” and based on the model policy created by the Texas Department of Public Safety and the Texas Department of Information Resources; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL THAT:

SECTION I The Board of Directors of the Montgomery County Hospital District adopts the attached “Covered Applications and Prohibited Technology” based on the model policy created by the Texas Department of Public Safety and the Texas Department of Information Resources.

SECTION II. That this Resolution shall become effective immediately upon its passage.

BE IT SO RESOLVED


PASSED, APPROVED, AND ADOPTED THIS 22nd DAY OF October, 2024.

MONTGOMERY COUNTY HOSPITAL DISTRICT

By: 

Brent Thor, Chairman

Attest:


Georgette Whatley, Board Secretary

Administration

NIMS

RESOLUTION
NATIONAL INCIDENT MANAGEMENT (NIMS)

WHEREAS, On February 28, 2003, the President issued Homeland Security Presidential Directive – 5 (HSPD-5) that directed the Department of Homeland Security, in cooperation with representatives of federal, state, and local government, to develop a National Incident Management System (NIMS) to provide a consistent approach to the effective management of situations involving natural disasters, man-made disasters or terrorism; and


WHEREAS, The final NIMS was released on March 1, 2004; and

WHEREAS, The NIMS contains a practice model for the accomplishment of the significant responsibilities associated with prevention, preparedness, response, recover, and mitigation of all major and national hazards situations; and

WHEREAS, The HSPD-5 requires that state and local governments adopt the NIMS by fiscal year 2005 as a pre-condition to the receipt of federal grants, contract and activities related to the management and preparedness for certain disaster and hazard situations; and

WHEREAS, The Montgomery County Hospital District desires to adopt the NIMS as required by HSPD-5.

NOW THEREFORE BE IT ORDERED, ADJUDGED AND DECREED that the Montgomery County Hospital District Board of Directors does hereby adopt the National Incident Management System.



David Witt, Chairman of the Board of Directors

1/23/07

Date

Passed

Proper Spokesman Resolution

RESOLVED that counsel for the District is not authorized to make public statements on behalf of the District to the news media unless such statements are approved by the Board or by the Chief Executive Officer (Executive Director) in advance.

FURTHER RESOLVED that the general counsel shall not disclose matters upon which he has been asked to render legal opinions or matters which he anticipates rendering legal opinions to the District, unless the Board or the Chief Executive Officer (Executive Director) has approved such disclosure in advance.

Respectfully submitted,



Eric "Bulldog" Yollick
Trustee
At-Large Position Number One

Passed:

1/20/04

Administration

552.275

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT TO
LIMIT THE EXPENDITURE OF TIME AND UNCOMPENSATED RESOURCES
WHEN RESPONDING TO A PUBLIC INFORMATION REQUEST PURSUANT TO
THE TEXAS GOVERNMENT CODE SECTION 552.275**

WHEREAS, the Montgomery County Hospital District is a government body as defined under the Texas Public Information Act which must comply with a request for public information; and

WHEREAS, the State of Texas has amended the Texas Public Information Act (Texas Government Code chapter 552, hereinafter the "Act") to add Section 552.275 that allows a public entity to charge a fee for the amount of time and resources spent on public information requests from the same individual during a 12 month period after a reasonable period of not less than 36 hours has been expended upon such request; and

WHEREAS, the Board of Directors desires to direct the District's Officer For Public Information under the Act, to take advantage of the protections afforded under the laws of the State of Texas, so as to save the District's taxpayers and the District from incurring unreasonable expenditures of staff time and uncompensated expenses in responding to unreasonable Public Information Act requests; and

WHEREAS, by this Resolution the Board of Directors seeks to amend, supersede, and or adopt any policies, rules, or internal guidelines consistent with the limits established under Texas Government Code Section 552.275;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

1. **Approval Of Recitals As Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Adoption Of An Aggregate Time Limit For The Officer For Public Information To Respond To Requests For Public Information.** The Officer For Public Information under the Act, as well as his/her assistants are hereby directed to adopt, use, and follow all requirements of Texas Government Code Section 552.275 when responding to a request for Public Information. It is hereby established, that a reasonable limit on the amount of time that personnel of the Montgomery County Hospital District are required to spend producing public information for inspection or duplication by a requestor, or providing copies of public information to a requestor is a **total of 36 hours** for any particular requestor during the 12-month period that corresponds to the fiscal year of the District.

3. **Timekeeping Requirement.** The Officer For Public Information, as well as his/her assistants are hereby directed to track and record their time spent producing public information for inspection or duplication by a requestor. The Officer For Public Information, shall provide the requestor with a written statement of the amount of personnel time spent complying with that request and the cumulative amount of time spent complying with requests for public information to the District from that requestor during the applicable 12-month period. The amount of time spent preparing the written statement may not be included in the amount of time included in the statement provided to the requestor.
4. **Coordination of Timekeeping.** The Officer For Public Information as well as his/her assistants are hereby directed to coordinate their timekeeping records for purposes of establishing the aggregate amount of time spent in responding to a requestor's requests during each fiscal year of the District, so that an accurate account can be provided to the requestor of the aggregate time spent in responding to the requestor's requests for public information.
5. **Estimate Of Expenses.** If in connection with a request for public information, the cumulative amount of personnel time spent complying with requests for public information from the same requestor equals or exceeds the limit under Section 2 above, the Officer For Public Information shall provide the requestor with a written estimate of the total cost, including materials, personnel time, and overhead expenses, necessary to comply with the request. The written estimate must be provided to the requestor on or before the 10th day after the date on which the public information was requested. The amount of this charge relating to the cost of locating, compiling, and producing the public information shall be established by rules prescribed by the Attorney General under Sections 552.262(a) and (b). If the Officer For Public Information determines that additional time is required to prepare the written estimate under Subsection 552.275(e) and provides the requestor with a written statement of that determination, the Officer For Public Information shall provide the written statement under that subsection as soon as practicable, but on or before the 10th day after the date the Officer For Public Information provided the statement under Subsection 552.275(f).
6. **Written Response From Requestor.** The officer for public information is not required to produce public information for inspection or duplication or to provide copies of public information in response to the requestor's request unless on or before the 10th day after the date the officer for public information provides the written statement under subsection 552.275(e), the requestor submits a statement in writing to the officer for public information in which the requestor commits to pay the lesser of:
 - (a) the actual costs incurred in complying with the requestor's request, including the cost of materials and personnel time and overhead; or
 - (b) the amount stated in the written statement provided under Subsection 552.275(e).

If the requestor fails or refuses to submit the written statement under subsection 552.275(g) the requestor is considered to have withdrawn the requestor's pending request for public information.

7. Previous Policies Not Consistent With This Resolution Are Revoked. Any previous policies or guidelines concerning the District's response to a request for public information which conflict with this Resolution are hereby amended or revoked to conform to this Resolution.
8. Compliance With Section 552.275 of the Act. Any provisions of this Resolution that are found to be in conflict with Section 552.275 of the Act, or any future amendments thereto, shall be superseded and replaced by the applicable provisions of Section 552.275 of the Act.

BE IT SO RESOLVED.

Passed and Approved this 29th day of May, 2013, by a vote of _____
in favor and 7 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL
DISTRICT BOARD OF DIRECTORS**

By: Kenn Fawn
Kenn Fawn, Chairman

Attest:

Sandy Wagner
Sandy Wagner, Board Secretary

To: MCHD Board
From: William C. Leigh
Subject: Policy regarding public participation at Board Meetings

Date: July 9, 2003

RESOLVED

Audience participation at a Board meeting shall be limited to the portion of the meeting designated for that purpose. At all other times during the Board meeting, the audience shall not enter into discussion or debate on matters being considered by the Board unless recognized by the Board's presiding officer.

Persons wishing to participate in this portion of the meeting shall submit their request to do so in a signed writing (see below) to the Board's presiding officer (or its designee) no later than 5 minutes prior to the scheduled commencement time of the meeting on the day of the meeting. Each such signed notice shall indicate the topic about which the individual wishes to speak.

No individual presentation shall exceed 3 minutes in length. Individuals shall be recognized in the chronological order their written notifications are received by the presiding officer.

Only specific factual information or recitation of existing Board policy may be furnished by the Board in response to inquiries made during the public comment portion of the Board meeting. Board members shall not question or respond to speakers, nor shall they deliberate or decide any subject that is not included in the agenda posted with notice of the meeting. The Board shall only deliberate or decide a subject at the point in the agenda scheduled for that subject.

The Board shall not tolerate any disruption caused by members of the audience. If, after at least one warning from the Board's presiding officer, any person continues to disrupt the meeting by her/his words or actions, the presiding officer shall request assistance from law enforcement officer(s) to have the person removed from the meeting.

001-ADM-07/15/2003

7/15/03

Administration

RECORDS RETENTION

Records Retention Policy Resolution

RESOLVED that the Records Retention Policy is amended to state in Section 5: "The Executive Director shall appoint a Records Management Officer for the Hospital District who shall provide a records management report to the Board at the Board's regular October meeting. As provided by state law, each successive holder of the office shall file his or her name with the director and librarian of the Texas State Library within thirty days of the initial designation or of taking up the office, as applicable."

Respectfully submitted,



Eric "Bulldog" Yollick
Trustee
At-Large Position Number One

(Recommended by PADCOM)

002-ADM-09/16/2003

9/16/03

Election

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS TO CHANGE THE ELECTION DATE FOR THE ELECTION OF DIRECTORS TO THE MONTGOMERY COUNTY HOSPITAL DISTRICT

WHEREAS, The Montgomery County Hospital District's enabling legislation, as codified in chapter 1063 TEXAS SPECIAL DISTRICT LOCAL LAWS CODE, sets the election date of staggered four-year terms of the Board of Directors to be held on the uniform election date in May of each even numbered year; and

WHEREAS, The 82nd Legislature of the State of Texas passed Senate Bill 100, and Governor Perry signed Senate Bill 100 into law on June 17, 2011, which allows the governing body of a political subdivision of the State of Texas to change the election date of the political subdivision's governing board to the November uniform election date for the State of Texas; and

WHEREAS, the Elections Administrator for Montgomery County has informed the District that changing the District's election date to the November uniform election date is recommended and will help to reduce cost and create efficiencies in the election process for future elections held in Montgomery County; and

WHEREAS, the Montgomery County Hospital District desires to change the election date of the District to the November uniform date to better serve its constituents by saving money through efficiency and economies of scale by conducting elections concurrently with November elections for state and county and precinct offices in Montgomery, County; and

WHEREAS, SB 100 requires a decision by the Board of Directors to change the election date of the District to be made before December 31, 2012, and this Resolution is made and approved within that deadline; and

NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:

1. Approval of Recitals as Findings of Fact. The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. Adoption of November Uniform Election Date. Pursuant to authority granted by SB 100, the Board of Directors hereby moves its election from the uniform election date in May of each even-numbered year to the uniform election date in November of each even-numbered year.

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S
BOARD OF DIRECTORS ESTABLISHING A PERFORMANCE IMPROVEMENT
COMMITTEE IN CONNECTION WITH THE PROVISION OF EMERGENCY
MEDICAL SERVICES**

- WHEREAS, the Montgomery County Hospital District provides emergency medical services to the citizens of Montgomery County, Texas through its Department of Emergency Medical Services ("MCHD EMS"). MCHD EMS has been recognized nationally as one of the best emergency medical services in the United States; and
- WHEREAS, the MCHD EMS personnel that serve the citizens Montgomery County, Texas provide quality emergency care that dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and
- WHEREAS, the level of complexity of the care provided by the MCHD EMS personnel continues to increase due to advances in science, medicine and emergency medical practices. Such complexity necessitates careful attention by MCHD to the quality of services provided, including case reviews, with quality improvements implemented where such are anticipated to improve excellence in the delivery of EMS services; and
- WHEREAS, pursuant to section 1063.105 of the Special Districts Local Laws Code, the Board of Directors is expressly authorized to adopt rules governing the health care provided by the District's employees; and
- WHEREAS, pursuant to such authority the Board of Directs finds it prudent to establish a performance improvement committee ("Performance Improvement Committee") to review, evaluate and improve the quality of services provided by MCHD EMS; and
- WHEREAS, section 773.095 of the Texas Health & Safety Code provides that the proceedings and records of organized committees of emergency medical services providers relating to the review, evaluation, or improvement of an emergency medical services provider, an emergency medical services system, or emergency medical services personnel are confidential and not subject to disclosure by court subpoena or otherwise. Such records and proceedings may be used by the committee and the committee members only in the exercise of proper committee functions; and

WHEREAS, in order for the deliberations of the Performance Improvement Committee to be robust and not chilled by the prospect of litigation, the District's Board of Directors intends that the Performance Improvement Committee created by this Resolution be an "organized committee of emergency medical services providers relating to the review, evaluation, or improvement of an emergency medical services provider, an emergency medical services system, or emergency medical services personnel" as established under section 773.095 of the Texas Health & Safety Code;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

1. Approval of Recitals as Findings of Fact. The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. Creation of MCHD EMS Performance Improvement Committee. The Board of Directors hereby establishes a Performance Improvement Committee for the purpose of reviewing, evaluating and improving the quality of services provided by MCHD EMS, such committee to be an "organized committee of an emergency medical services provider" as described in section 773.095 of the Texas Health & Safety Code.
3. Structure of MCHD EMS Performance Improvement Committee. The Board of Directors approves the structure of the Performance Improvement Committee as is set forth in the attachment appended to this Resolution, which is incorporated herein by reference. Such structure may be amended from time to time by MCHD's Chief Executive Officer as he or she deems prudent without the need for official action of the Board of Directors.

BE IT SO RESOLVED.

Passed and Approved this 10th day of December, 2019, by a vote of 7 in favor and 0 against, 0 abstaining.

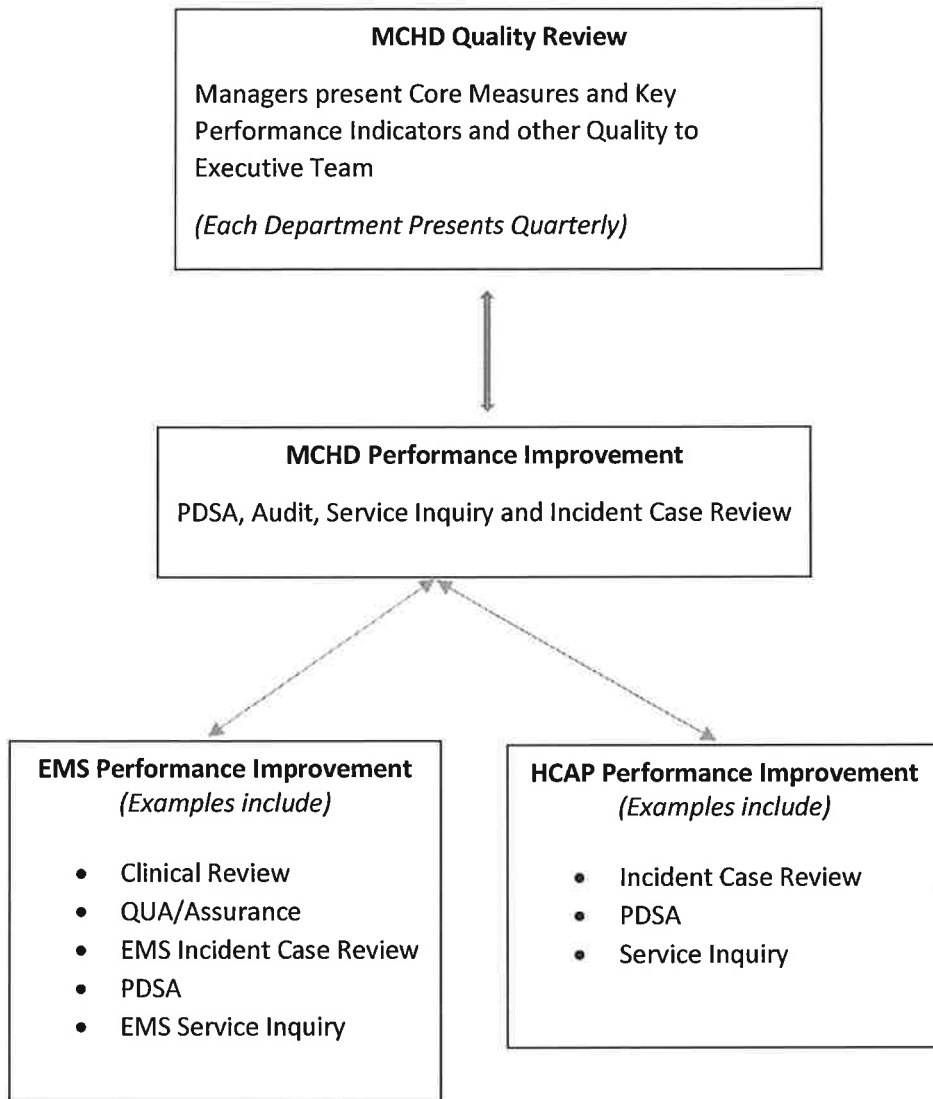
**MONTGOMERY COUNTY HOSPITAL
DISTRICT**

By: Mark Cole
Mark Cole, Chairman

Attest:

Sandy Wagner
Sandy Wagner, Board Secretary

Montgomery County Hospital District



3. Adjustment of Terms of Current Directors. Those Directors whose terms currently expire on the second Tuesday of June 2012 shall hold over until their respective successors are elected and qualified following the November 2012 election. In addition, those Directors whose terms currently expire on the second Tuesday of June 2014 shall hold over until their respective successors are elected and qualified following the November 2014 election. Thereafter, Directors shall continue to be elected on staggered terms on even numbered years at the November election of such years.
4. Submission to U.S. Department of Justice. The Board of Directors directs that this Resolution be sent to the United States Department of Justice, Voting Section for consideration and preclearance under section 5 of the Voting Rights Act of 1965, as a voting change of the District.
5. Submission to Montgomery County Elections Administrator. The Board of Directors directs that a copy of this Resolution be delivered to the Montgomery County Elections Administrator, advising the Elections Administrator of the change in the election date for the election of Directors to the Montgomery County Hospital District.
6. Effective Date. This Resolution shall become effective on the latter of January 1, 2012 or upon preclearance by the Voting Rights Division of the United States Department of Justice.

BE IT SO RESOLVED.

Passed and Approved this 26th day of July, 2011, by a vote of 6 in favor and 0 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL
DISTRICT**

By: Georgette Whatley
Georgette Whatley, Chairperson

Attest:

Sandy Wagner
Sandy Wagner, Board Secretary



U.S. Department of Justice
Civil Rights Division

TCH:RSB:JBG:EEK:par
DJ 166-012-3
2011-4416

Voting Section - NWB
950 Pennsylvania Avenue, NW
Washington, DC 20530

December 7, 2011

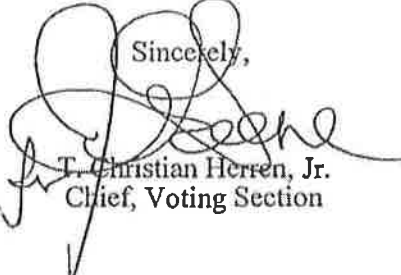
J. Greg Hudson, Esq.
Hudson & O'Leary
1010 MoPac Circle, Suite 201
Austin, Texas 78746

Dear Mr. Hudson:

This refers to the change in general election date from May to November, a one-time extension in terms of office and implementation schedule for the Montgomery County Hospital District in Montgomery County, Texas, submitted to the Attorney General pursuant to Section 5 of the Voting Rights Act of 1965, 42 U.S.C. 1973c. We received your submission on October 20, 2011.

The Attorney General does not interpose any objection to the specified changes. However, we note that Section 5 expressly provides that the failure of the Attorney General to object does not bar subsequent litigation to enjoin the enforcement of the changes. Procedures for the Administration of Section 5 of the Voting Rights Act of 1965, 28 C.F.R. 51.41.

Sincerely,



T. Christian Herren, Jr.
Chief, Voting Section

001-ELE-07/26/2011

FINANCE

Woodloch

RESOLUTION APPROVING THE FINANCING BY THE
WOODLOCH HEALTH FACILITIES DEVELOPMENT CORPORATION
OF A HEALTH FACILITY LOCATED WITHIN MONTGOMERY COUNTY HOSPITAL DISTRICT
FOR WOODHAVEN VILLAGE, LLC

WHEREAS, the Health Facilities Development Act, Chapter 221, Texas Health and Safety Code (the "Act"), authorizes and empowers Woodloch Health Facilities Development Corporation (the "Issuer") to issue revenue bonds on behalf of the City of Woodloch, Texas (the "Issuing Unit") to finance and refinance the costs of health facilities found by the Board of Directors of the Issuer to be required, necessary or convenient for health care, research and education, any one or more, within the State of Texas and in furtherance of the public purposes of the Act; and

WHEREAS, Section 221.030 of the Act provides that the Issuer may provide for the financing or refinancing of health facilities located outside the limits of the Issuing Unit with the consent of each city, county or hospital district within such health facility is or is to be located; and

WHEREAS, Woodhaven Village, LLC (the "Borrower"), a Texas limited liability company, proposes to obtain financing and refinancing from the Issuer from the proceeds of one or more series of the Issuer's bonds and notes in a maximum principal amount of \$35,000,000 for the costs of a senior living facility consisting of approximately 77 independent living units, 80 units of assisted living/memory care and related common areas such as dining, recreation and administrative spaces (the "Facilities"), located at 2275 Riverway Dr., Conroe, Texas; and

WHEREAS, the Facilities will be located within Montgomery County Hospital District, Texas (the "District") and outside the limits of the Issuing Unit;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

Section 1. The District hereby consents to the financing by the Issuer of the Facilities for the purposes of Section 221.030 of the Act; provided that the District shall have no liability in connection with the financing of the Facilities and shall not be required to take any further action with respect thereto.

Section 2. This Resolution shall take effect immediately from and after its adoption and it is accordingly so ordered.

PASSED AND APPROVED, this the 10 day of ~~August~~ ^{September}, 2013.

By: Kenn Gann
Chairman

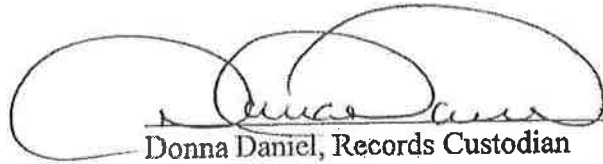
State of Texas

§
§
§

County of Montgomery

CERTIFIED COPY

I, Donna Daniel, in my official capacity as records custodian of the Montgomery County Hospital District, do certify that on this 30th day of September, 2013, I carefully compared the attached copy of Resolution approving the Financing by the Woodloch Health Facilities Development Corporation with the original. It is a complete and true copy of the original document now existing among the records of the Montgomery County Hospital District.



Donna Daniel, Records Custodian
Montgomery County Hospital District

008-FIN-09/10/2013

FINANCIAL
GASB 54

GASB 54 Policy

Montgomery County Hospital District

RESOLUTION

The Board of Directors of Montgomery County Hospital District being convened in Regular Session on the 27th day of September, 2011, with a quorum present in the persons of

Bob Bagley, Naus Ambrosia, John Hennigan, Georgette Whatley, Sandy Wagner, Harold Posey & Kenneth Adams

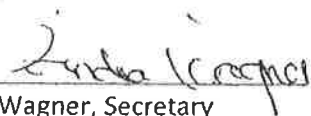
Directors being absent: N/A

WHEREAS Director Posey introduced the following motion, moved its adoption, and the motion having been seconded by Director Ambrosia was duly put and carried, said Resolution reading as follows:

IT IS HEREBY RESOLVED, ordered, and directed that the Montgomery County Hospital District adopts Governmental Accounting Standard Board Statement (GASB) 54 effective September 30, 2011. To comply with GASB 54, the following policies will be adopted:

- The District shall report governmental fund balances per GASB 54 definitions in the balance sheet as follows:
 - Nonspendable
 - Restricted
 - Committed
 - Assigned
 - Unassigned
- The Board of Directors shall approve all commitments by formal action. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A commitment can only be modified or removed by the same formal action.
- The Board of Directors delegates the responsibility to assign funds pursuant to the District's approved Purchasing Policy to the Chief Executive Officer or his/her designee. The Board of Directors shall have the authority to assign any amount of funds. Assignments may occur subsequent to fiscal year-end.
- The Board of Trustees will utilize funds in the following spending order:
 - Restricted
 - Committed
 - Assigned
 - Unassigned


Georgette Whatley
Montgomery County Hospital District

Attest:

Sandy Wagner, Secretary
Montgomery County Hospital District

005-FIN-09/27/2011

Finance
Goods IN Transit

MONTGOMERY COUNTY HOSPITAL DISTRICT

RESOLUTION

APPROVING THE TAXATION OF GOODS-IN-TRANSIT THAT ARE OTHERWISE EXEMPT FROM TAXATION BY SECTION 11.253, TEXAS TAX CODE

WHEREAS, the 82nd Texas Legislature during its Special Session enacted Senate Bill 1 which amended Tex. Tax Code § 11.253, under which personal property of goods-in-transit, as newly defined, are exempt from taxation; and

WHEREAS, a new subsection (j-1) was added to § 11.253 by Senate Bill 1, and which provides for a local option under which a taxing unit may tax such goods-in-transit otherwise exempt, if the governing body of such taxing unit after a public hearing takes official action to tax such personal property; and

WHEREAS, on the 20 day of DECEMBER, 2011, the governing body of Montgomery County Hospital District held a public hearing at which members of the public were permitted to speak for or against the taxation of certain goods-in-transit personal property; and

WHEREAS, following the public hearing, the governing body of Montgomery County Hospital District has determined that such personal property, as exempted by Tex. Tax Code § 11.253, should be subject to taxation by Montgomery County Hospital District for tax year 2012 and all subsequent years.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

- (1) all of the recitals are incorporated and made a part of this Resolution and,
- (2) all such goods-in-transit personal property as defined by the amendments to Texas Tax Code § 11.253 under Senate Bill 1, shall be, and are hereby declared to be, taxable by Montgomery County Hospital District for tax year 2012 and for every year thereafter, all as provided for and in accordance with Texas Tax Code § 11.253.

PASSED, APPROVED and ADOPTED this 20 day of DECEMBER, 2011.

MONTGOMERY COUNTY HOSPITAL DISTRICT

BY: Georgette Whalley
Printed Name: GEORGETTE Whalley
Chair/Presiding Officer

ATTEST:

Sandy Wagner
Printed Name: Sandy Wagner
Secretary

006-FIN-12/20/2011

VIA REGULAR MAIL

DECEMBER 21, 2011

MARK CASTLESCHOULD
CHIEF APPRAISER
MONTGOMERY CENTRAL APPRAISAL DISTRICT
109 GLADSTELL
CONROE, TEXAS 77301

**RE: MONTGOMERY COUNTY HOSPITAL DISTRICT -
PROPERTY TAX CODE SECTION 11.253, TANGIBLE PERSONAL PROPERTY IN
TRANSIT - RESOLUTION/ORDINANCE/ORDER ADOPTING THE TAXATION OF
GOODS-IN-TRANSIT PERSONAL PROPERTY**

Dear Mr. Castleschouldt,

Regarding the referenced matter and relating to Property Tax Code Section 11.253, Tangible Personal Property in Transit, attached for your information and use is a copy of the resolution/ordinance/order approved on DECEMBER 20, 2011 by the governing body for the Montgomery County Hospital District wherein the governing body provide for the taxation of goods-in-transit personal property beginning with tax year 2012 and applicable to every tax year thereafter. As you know, in accordance with Section 11.253, this decision is subject to any subsequent rescission or repeal of same or later determination by the governing body that the exemption prescribed by that section will apply.

Please feel free to contact me should you have any questions, concerns and/or require additional information.

Sincerely,



Georgette Whatley
Printed Name

Enclosure(s)

cc: J.R. Moore, Jr. Montgomery County Tax Assessor-Collector

006-FIN-12/20/2011

Openness in Government Resolution #5: Money in the Minutes

RESOLVED that the Planning and Development Committee recommends that the Bylaws of the District be amended to require that minutes of the District reflect the amount of money which each adopted action of the Board will cost, as declared (by certainty or by estimate) by the Chief Financial Officer at the Board meeting.

FURTHER RESOLVED that a new Section 10 shall be added to Article III of the Bylaws to read: "Minutes of the District shall reflect the amount of money which each adopted action of the Board will cost, as declared (by certainty or by estimate) by the Chief Financial Officer at the Board meeting."

Respectfully submitted,



Eric "Bulldog" Yollick
Trustee
At-Large Position Number One

(First Paragraph Recommended by PADCOM)

002-FIN-09/16/2003

9/16/03

**BOARD RESOLUTION
Operating Fund Surplus**

WHEREAS, MCHD policy requires that it budget to establish an operating fund surplus in the approximate amount of 25% of its annual budget to protect against unforeseen challenges;

WHEREAS, accounting guidelines recommend that governmental agencies such as MCHD establish an operating fund surplus in the minimum amount of approximately 15% to 20% of its annual budget;

WHEREAS, MCHD policy specifically permits MCHD to borrow funds from time to time as needed to fund its cash flow requirements so long as it repays those amounts during the current year's budgeted operations,

RESOLVED, that, MCHD shall request the Foundation to lend it such funds from time to time as will allow MCHD to maintain an operating fund cash reserve of not less than 20% of its annual budget.

Approved: _____
Date

Secretary: _____
Erick Yollick

9/10/2013; approved to keep w/change minimum 15% - maximum 35%

003-FIN-11/23/2004
Revision - 09/10/2013 - Minimum 15% - Maximum 35%

11/23/04

Finance
District
Purchasing Policy

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS RE-ADOPTING THE DISTRICT'S PURCHASING POLICY INCLUDING REVISIONS MADE THERETO AS A RESULT OF ACTS OF THE 82ND TEXAS LEGISLATURE

WHEREAS, the Board of Directors of the Montgomery County Hospital District has previously adopted a Purchasing Policy for guidance and accountability concerning purchases by the District; and

WHEREAS, the Montgomery County Hospital District has continually updated and amended the District's Purchasing Policy to reflect best accounting practices and transparency in purchasing; and

WHEREAS, the Montgomery County Hospital District is required to re-adopt the Purchasing Policy every two years to comply with audit requirements and to provide for continued transparency, guidance, and accountability of the District's purchases; and

WHEREAS, the 82nd Texas Legislature made certain changes to the laws applicable to construction of public works by local governments, necessitating changes to the District's purchasing policy; and

WHEREAS, by this Resolution the Board of Directors seeks to re-adopt the Purchasing Policy, as amended, so as to address the foregoing matters;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Adoption of Existing Purchasing Policy.** The Purchasing Policy attached hereto as "EXHIBIT A" is adopted and to be placed in effect immediately until such time as this policy is amended or repealed by further action of the Board of Directors.
3. **Open Meetings.** The Board of Directors finds that the meeting at which this Resolution was passed was held in strict compliance with the Texas Open Meetings Act, ch. 551, Tex. Gov't Code.

BE IT SO RESOLVED.

Passed and Approved this 22 day of May, 2012.

**MONTGOMERY COUNTY HOSPITAL
DISTRICT**

By: Georgette Whatley
Georgette Whatley, Chairman

Attest:

Debra W. Brown
Board Secretary

Exhibit A

MCHD Purchasing Policy

Amendment to Montgomery County Hospital District Purchasing Policy Chapter IV

Amending Chapter "IV" to include a new paragraph "D" as follows:

D. Credit Card and Charge Card Program

- I. The Chief Executive Officer may authorize the use of a Credit Card or Charge Card program based upon the Texas Comptroller's Texas Procurement and Support Services Program (TPASS). The Chief Executive Officer shall have discretion to use other charge card or credit card programs which offers similar restrictions, controls, and advantages as the Texas Comptroller's Texas Procurement and Support Services Program. The use of a credit card or charge card, authorized under this policy, by any District personnel does not alter or change any other existing purchasing policies.

Finance
CHARGE CARD
Purchasing Policy

STATE OF TEXAS §
COUNTY OF MONTGOMERY §

A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS AMENDING THE CURRENT PURCHASING POLCY TO PROVIDE FOR UPDATED CHARGE CARD PROCUREMENT ALTERNATIVES

WHEREAS, the Board of Directors of the Montgomery County Hospital District has previously adopted a Purchasing Policy for guidance and accountability concerning purchases by the District; and

WHEREAS, the Montgomery County Hospital District's enabling legislation allows the Board of Directors to promulgate a Purchasing Policy, which it is free to amend from time to time at its discretion; and

WHEREAS, the Montgomery County Hospital District has recently applied for and been accepted to participate in a charge card program offered through the Texas Comptroller's Texas Procurement and Support Services Program; and

WHEREAS, the Board of Directors has determined that the addition of this charge card program is in the best interest of the District to provide enhanced accountability, tracking, and payment options for vendor purchases; and

WHEREAS, by this Resolution the Board of Directors seeks to amend the Purchasing Policy so as to address the foregoing matters;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

- Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
- Amendment of Purchasing Policy.** The Purchasing Policy amendment attached hereto is adopted and to be placed in effect immediately until such time as this policy is amended or repealed by further action of the Board of Directors.
- Open Meetings.** The Board of Directors finds that the meeting at which this Resolution was passed was held in strict compliance with the Texas Open Meetings Act, ch. 551, Tex. Gov't Code.

BE IT SO RESOLVED.

Passed and Approved this 17th day of June, 2008.

004-FIN-06/17/2008

6/12/08

**MONTGOMERY COUNTY HOSPITAL
DISTRICT**

By: Francis Bourgeois
Francis Bourgeois, Chairman

Attest:

Sandra Wagner
Board Secretary

Amendment to Montgomery County Hospital District Purchasing Policy Chapter 4

Amending Chapter "4" to include a new paragraph "D" as follows:

D. Credit Card and Charge Card Program

1. The Chief Executive Officer may authorize the use of a Credit Card or Charge Card program based upon the Texas Comptroller's Texas Procurement and Support Services Program (TPASS). The Chief Executive Officer shall have discretion to use other charge card or credit card programs which offers similar restrictions, controls, and advantages as the Texas Comptroller's Texas Procurement and Support Services Program. The use of a credit card or charge card, authorized under this policy, by any District personnel does not alter or change any other existing purchasing policies.

REMOVE FROM
TAX ROLLS

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

**A RESOLUTION PROVIDING FOR A PENALTY TO DEFRAY COSTS OF
COLLECTING DELINQUENT PROPERTY TAXES PURSUANT TO TEXAS TAX
CODE SECTIONS 33.07 AND 33.08**

WHEREAS, It has been and remains the longstanding policy of the Montgomery County Hospital District that the expenses of collecting delinquent taxes owed to the District should not constitute an unfair burden on the general revenue and on the taxpayers who pay on time, and should be borne instead by the delinquent properties and their owners who are responsible for causing such expenses, and

WHEREAS, the Montgomery County Hospital District, Board of Directors, is authorized by the provisions of Sections 33.07 and 33.08 of the Texas Property Tax Code to impose an additional penalty to defray the costs of collecting delinquent taxes due to the District, and

WHEREAS, the provisions of Section 6.30 of the Texas Property Tax Code have been complied with and an additional penalty of 20% of all delinquent taxes, penalties and interest due and unpaid as of July 1, 2003 to _____ is appropriate and needed to defray the delinquent tax collection cost;

NOW THEREFORE BE IT RESOLVED by the Board of Directors that the Montgomery County Hospital District adopts and ratifies the additional twenty (20%) percent penalties to defray the costs of collection of delinquent taxes, as authorized by Texas Tax Code, Sections 33.07 and 33.08 and under preceding Texas law, for the 2002 tax year, and for each succeeding year thereafter.

Passed and approved this the _____ day of _____, 2003.

President

Attested:

Board Secretary

001-FIN-05/12/2003

← 12/03



MONTGOMERY COUNTY
OFFICE OF
TAX ASSESSOR AND COLLECTOR
400 N. SAN JACINTO
CONROE, TEXAS 77301

TAX COLLECTION 936-539-7897
ACCOUNTING 936-539-7809
AUTO LICENSE DEPT. 936-539-7896

J.R. MOORE, JR.
TAX ASSESSOR AND COLLECTOR

April 10, 2003

To: All Taxing Jurisdictions

From: J. R. Moore, Jr.

RE: CHANGES TO SECTION 6:30(c) OF THE STATE PROPERTY TAX CODE THAT ALLOWS TAXING ENTITIES TO PROVIDE FOR A PENALTY ON TAXES THAT REMAIN DELINQUENT ON JULY 1 OF THE YEAR IN WHICH THEY BECOME DELINQUENT TO DEFRAY COST OF COLLECTIONS. THE CHANGE IS FROM 15% TO 20%

Dear Governing Body,

On April 7, 2003 the County changed the percent that delinquent taxpayers will be charged a penalty for non-payment of their taxes. This penalty is commonly called "attorney fees". Law firms that contract with taxing entities get paid by collecting the delinquent taxes owed. Their payment is added to the amount owed and not paid until collected. This keeps taxing entities from losing the funds originally levied and from having to pay "in-house" salaries to force collections of taxes owed.

The law firms representing taxing entities that the County collects for have done an excellent job working with my office. Since 1987 (sixteen years) they have been compensated with a 15% penalty added to the taxes owed and paid when the taxes are collected. A 5% increase is not unreasonable. Just ten (10) years ago the percent of the County's levy represented by delinquent taxes owed was 20.5%. It is now 9.5%. This is an overall 11% gain in delinquent tax collections which in turn helped to increase current tax collections. The law firms have a local office and personnel that constantly assist my office and taxpayers by administering contacts, by generating and paying for required notices, and by purchasing some of my equipment. They are "key players" in my tax collection program.

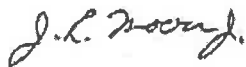
I have enclosed an amendment to your existing contract with the County. Section IV. of your current contract needs to be amended in order to increase the penalty. Consistency is what my office needs. We represent 62 taxing entities and if all taxing entities use the same percentages it is much easier to maintain consolidated record keeping, billing, and to answer inquiries concerning how much is owed. If all taxing entities use the same percentages it will eliminate sending separate notices required by Section 33.07 of the Tax Code.

001-FIN-05/12/2003

Please take action on or before May 9th and return the original Amendment to me on or before May 12th. The attorneys will be preparing the required 33.07 Notice of Delinquent Taxes from tapes my office must generate for them in order to meet the statutory required notice time frame.

Should you have any questions regarding this issue or wish to remain at the current 15% please contact me at 936/760-6934.

Sincerely,



J. R. Moore, Jr.

cc: County Judge and Commissioners
Jim Blair - Linebarger, Goggan, Blair & Sampson
Robert Mott - Perdue, Brandon, Fielder, Collins & Mott
Dylan Wood - Ray, Wood and Bonilla

001-FIN-05/12/2003

AMENDMENT TO CONTRACT

BY AND BETWEEN

MONTGOMERY COUNTY

AND

Montgomery County Hospital District

WHEREAS, the above Taxing Entities have previously entered into an Interlocal Agreement for Collection Services; and

WHEREAS, the Taxing Entities agree to amend Section IV of the Interlocal Agreement, paragraph two, to read "twenty percent (20%)" instead of the current "fifteen percent (15%)";

NOW THEREFORE, be it resolved and passed on this _____ day of _____, 2003, in Montgomery County, Texas.

Entity: Montgomery County Hospital District

By: _____

Title: _____

Montgomery County

By: _____

Title: _____

Reviewed and Approved

J. R. Moore, Jr.
Tax Assessor-Collector
Montgomery County

001-FIN-05/12/2003

Return Original to J. R. Moore, Jr.-County Tax Assessor-Collector, 400 N. San Jacinto St., Conroe, Tx. 77301

FINANCE
NON MCHD
MEMORIAL HERMANN

**RESOLUTION CONSENTING TO ACTION BY HARRIS COUNTY HEALTH
FACILITIES DEVELOPMENT CORPORATION TO CAUSE
IMPROVEMENTS TO AND ACQUISITION OF
ADDITIONAL EQUIPMENT FOR
MEMORIAL HERMANN THE WOODLANDS HOSPITAL**

WHEREAS, the Harris County Health Facilities Development Corporation (the "HCHFDC") has been requested to issue its bonds, in one or more series, to finance improvements to and additional equipment for Memorial Hermann The Woodlands Hospital (the "Health Facilities") and, through the loan of proceeds of such bonds, to cause Memorial Hermann Hospital System to acquire and construct the Health Facilities, which are to be located within the jurisdiction of the Montgomery County Hospital District (the "District") in Montgomery County, Texas;

WHEREAS, under the Health Facilities Development Act, chapter 221, Texas Health and Safety Code, the HCHFDC may do so only with the consent of the Commissioners Court of Montgomery County and the District; and

WHEREAS, the District desires to facilitate the financing, acquisition, construction, and improvement of the Health Facilities in order better to provide for the health care needs of its residents;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT the District hereby consents to the issuance of such bonds and the use of proceeds thereof by the HCHFDC to cause Memorial Hermann Hospital System to acquire and construct the Health Facilities, provided that the District shall in no way be obligated on such bonds or incur any other liability in connection therewith.

PASSED and APPROVED this _____.


Chairman, Board of Directors


Secretary, Board of Directors

CERTIFICATE

THE STATE OF TEXAS
COUNTY OF HARRIS
MONTGOMERY COUNTY HOSPITAL DISTRICT

§
§
§

We, the undersigned officers of the Board of Directors (the "Board") of the Montgomery County Hospital District (the "District"), hereby certify as follows:

1. The Board convened in regular session, open to the public, on April __, 2001, at 200 Riverpoint Drive, Conroe, Texas, and the roll was called of the Board, to-wit:

- John Sallee, Chair
- Starlett Curry, Vice Chair
- Nicol Huff, Secretary
- Dr. Greg Hall, Treasurer
- Jack Mitchell
- Marie Wilcoxson
- Monte West

All members of the Board were present, except the following: _____, thus constituting a quorum. Whereupon among other business, the following was transacted at such meeting: A written


RESOLUTION CONSENTING TO ACTION BY HARRIS COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION TO CAUSE IMPROVEMENTS TO AND ACQUISITION OF ADDITIONAL EQUIPMENT FOR MEMORIAL HERMANN THE WOODLANDS HOSPITAL

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Resolution be adopted; and, after due discussion, such motion, carrying with it the adoption of such Resolution, prevailed and carried by the following votes:


AYES: _____ NOES: _____

2. A true, full, and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to this Certificate; such Resolution has been duly recorded in the Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the adoption of such Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such meeting, and that such Resolution would be introduced and considered for adoption at such meeting; and such meeting was open to the public, and public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this _____.



Secretary, Board of Directors



President, Board of Directors

(DISTRICT SEAL)

**RESOLUTION CONSENTING TO ACTION BY HARRIS COUNTY HEALTH
FACILITIES DEVELOPMENT CORPORATION TO CAUSE
IMPROVEMENTS TO AND ACQUISITION OF
ADDITIONAL EQUIPMENT FOR
MEMORIAL HERMANN THE WOODLANDS HOSPITAL**

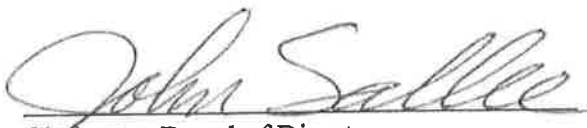
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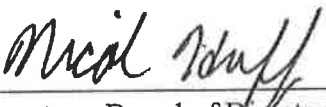
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NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT the District hereby consents to the issuance of such bonds and the use of proceeds thereof by the HCHFDC to cause Memorial Hermann Hospital System to acquire and construct the Health Facilities, provided that the District shall in no way be obligated on such bonds or incur any other liability in connection therewith.

PASSED and APPROVED this _____


Chairman, Board of Directors


Secretary, Board of Directors

FULBRIGHT & JAWORSKI L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP

1301 MCKINNEY, SUITE 5100
HOUSTON, TEXAS 77010-3095

HOUSTON
WASHINGTON, D.C.
AUSTIN
SAN ANTONIO
DALLAS
NEW YORK
LOS ANGELES
MINNEAPOLIS
LONDON
HONG KONG

TELEPHONE: 713/651-5151
FACSIMILE: 713/651-5246

FREDRIC A. WEBER
PARTNER

INTERNET ADDRESS:
fweber@fulbright.com

DIRECT DIAL: 713/651-3628

March 28, 2001

Re: Financing of Improvements to and Equipment for
Memorial Hermann The Woodlands Hospital

Honorable John Sallee, Chair
Montgomery County Hospital District
P.O. Box 478
Conroe, Texas 77305-0478

BO Approved
4-17-01

Dear Mr. Sallee:

On behalf of our clients, Memorial Hermann Hospital System ("Memorial Hermann") and the Harris County Health Facilities Development Corporation (the "HCHFDC"), we respectfully request that your hospital district assist Memorial Hermann's efforts to improve and purchase additional equipment for Memorial Hermann The Woodlands Hospital (the "Hospital") by consenting to the issuance of tax-exempt bonds for that purpose by the HCHFDC at your first board of directors meeting on or after April 16, as you did in 1997 and 1998 when Memorial Hermann financed earlier improvements to the Hospital.

Proposed Financing. The Hospital is a 92-bed acute care hospital located at 9520 Pinecraft Drive in The Woodlands. Memorial Hermann anticipates making additional capital investments to improve, renovate, and further equip the Hospital to serve the growing needs of Montgomery County. To minimize financing costs and, accordingly, hospital charges, Memorial Hermann would like to finance its investments with tax-exempt bonds.

Memorial Hermann is a Texas non-profit corporation. It owns or leases and operates community based health care facilities, including eight non-sectarian general acute care hospitals (including Memorial Hermann Hospital--a tertiary care teaching hospital, among other health-care facilities, all serving the greater Fort Bend, Harris, and Montgomery County area. It would like to finance additional capital investments in its other hospitals with tax-exempt bonds, too. To minimize overall transaction costs, Memorial Hermann would like to finance its investments in the Hospital and these hospitals in a single financing through the HCHFDC.

Honorable John Sallee
March 28, 2001
Page 2

Since Memorial is a non-profit organization, savings realized by it through the proposed financing will enable it to provide better health care services to Montgomery stabilize the cost of its services.

Required State Law Consent. The Texas Health Facilities Development Act authorizes the HCHFDC to finance improvements to and equipment for the Hospital, but only if the Montgomery County Commissioners Court and your board of directors consent. Memorial Hermann has received preliminary approval from the HCHFDC to undertake the proposed financing. Memorial Hermann has asked for Montgomery County's consent. On behalf of Memorial Hermann and the HCHFDC, we respectfully request that your board of directors consent to the issuance of bonds by HCHFDC to finance improvements to and equipment for the Hospital in accordance with the Act.

Proposed Resolution and Timing. A proposed resolution of your board of directors granting the requested consent is enclosed. As you can see from the resolution, it does not impose any obligation on the District, but rather merely satisfies legal conditions to action by the HCHFDC. Also enclosed is a suggested form of certificate to evidence adoption of the resolution.

To permit the HCHFDC to sell the bonds on schedule, we respectfully request the board of directors' consideration of this matter at its first meeting on or after April 16. The caption of the resolution should suffice as a description of the agenda item for open meetings law purposes.

I would be pleased to answer any questions you, your board or your attorney may have about the requested action. I will contact your office in the near future to answer any questions you may have about this request, and I plan to attend your board of directors meeting when it is considered to address any questions that may come up then. Please feel free to call me if you have any questions that should be answered before I contact your office.

Thank you in advance for any assistance you can provide in scheduling action on our request and for facilitating the financing of this worthwhile project. I look forward to discussing this request with you, either by phone or at the board of directors meeting.

Very truly yours,



Fredric A. Weber

FAW/mgv
Enclosures
Via Messenger

Honorable John Sallee
March 28, 2001
Page 3

cc: Ms. Debbie Geegir (w/enclosures)

Mr. Greg Hudson (w/enclosures)

Mr. Carrol E. Aulbaugh (w/enclosures)
Memorial Hermann Healthcare System

NOTICE OF PUBLIC HEARING

Take Notice that, for purposes of section 147(f) of the Internal Revenue Code of 1986, as amended, the Harris County Health Facilities Development Corporation (the "Issuer") will hold a public hearing on April 16, 2001, at 10:00 a.m. at the offices of Nathan Sommers Lippman Jacobs & Gorman, a Professional Corporation, 2800 Post Oak Boulevard, Suite 6100, Houston, Texas 77056, with respect to the proposed issuance of the Issuer's limited obligation revenue bonds in the approximate maximum aggregate principal amount of \$325,000,000 (the "Bonds") to finance renovations of, additions (including elderly care facilities) to, and the acquisition of capital equipment for the following healthcare facilities, located at the following locations in the State of Texas:

<u>Facilities</u>	<u>Location</u>
Memorial Hermann Hospital (including Memorial Hermann Children's Hospital), a 908-bed acute care hospital	6411 Fannin Houston, Harris County
Memorial Hermann Southwest Hospital, a 600-bed acute care hospital	7600 Beechnut Houston, Harris County
Memorial Hermann Southeast Hospital, a 256-bed acute care hospital	11800 Astoria Boulevard Houston, Harris County
Memorial Hermann Northwest Hospital, a 177-bed acute care hospital	Loop 610 and Ella Boulevard Houston, Harris County
Memorial Hermann Memorial City Hospital, a 520-bed acute care hospital	290 Frostwood Houston, Harris County
Memorial Hermann The Woodlands Hospital, a 92-bed acute care hospital	9520 Pinecroft Drive The Woodlands, Montgomery County
Memorial Hermann Katy Hospital, a 103-bed acute care hospital	5602 Medical Center Drive Katy, Fort Bend County
Memorial Hermann Fort Bend Hospital, an 80-bed acute care hospital	3803 F.M. 1092 Missouri City, Fort Bend County
Memorial Hermann Rehabilitation Hospital, a 129-bed rehabilitation hospital	3043 Gessner Houston, Harris County

Memorial Hermann Spring Shadows Glen,
a 176-bed mental health facility

2801 Gessner
Houston, Harris County

Proposed inpatient and/or outpatient
health care facilities

Highway 290 at F.M. 1960
Harris County

The facilities are or are to be owned, operated, or managed by Memorial Hermann Hospital System, a Texas non-profit corporation, or (in the case of Memorial Hermann Rehabilitation Hospital and Memorial Hermann Spring Shadows Glen) its affiliate, Memorial Hermann Continuing Care Corporation, a Texas non-profit corporation.

The Bonds would be limited recourse obligations of the Issuer payable solely from the repayment of the loan of proceeds of such obligations to Memorial Hermann Hospital System or its affiliates and would not constitute a debt or obligation of Harris County, any of the other jurisdictions listed above, or any other public body or be in any way payable from taxes or other public funds.

All interested persons are invited to attend the public hearing and will be given an opportunity to address the question of whether the Harris, Fort Bend, and Montgomery County Commissioners Courts and/or County Judges and/or the City Councils or Mayors of Missouri City and/or Katy, Texas, should approve the issuance of the Bonds and the use of proceeds for the purposes described above. Following the public hearing, a report concerning the hearing will be submitted to the approving governmental body or official, who may act on a request to approve the issuance of the Bonds and use of such proceeds for such purposes.

Questions, requests for additional information, or written comments may be directed in writing to the Issuer in care of Nathan Sommers Lippman Jacobs & Gorman, a Professional Corporation, 2800 Post Oak Boulevard, Suite 6100, Houston, Texas 77056, Attention: Ann C. Jacobs, Esq.

HARRIS COUNTY HEALTH FACILITIES
DEVELOPMENT CORPORATION

FULBRIGHT & JAWORSKI L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP

1301 MCKINNEY, SUITE 5100
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March 28, 2001

Re: Financing of Improvements to and Equipment for
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Honorable John Sallee, Chair
Montgomery County Hospital District
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Proposed Financing. The Hospital is a 92-bed acute care hospital located at 9520 Pinecraft Drive in The Woodlands. Memorial Hermann anticipates making additional capital investments to improve, renovate, and further equip the Hospital to serve the growing needs of Montgomery County. To minimize financing costs and, accordingly, hospital charges, Memorial Hermann would like to finance its investments with tax-exempt bonds.

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Honorable John Sallee
March 28, 2001
Page 2

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Required State Law Consent. The Texas Health Facilities Development Act authorizes the HCHFDC to finance improvements to and equipment for the Hospital, but only if the Montgomery County Commissioners Court and your board of directors consent. Memorial Hermann has received preliminary approval from the HCHFDC to undertake the proposed financing. Memorial Hermann has asked for Montgomery County's consent. On behalf of Memorial Hermann and the HCHFDC, we respectfully request that your board of directors consent to the issuance of bonds by HCHFDC to finance improvements to and equipment for the Hospital in accordance with the Act.

Proposed Resolution and Timing. A proposed resolution of your board of directors granting the requested consent is enclosed. As you can see from the resolution, it does not impose any obligation on the District, but rather merely satisfies legal conditions to action by the HCHFDC. Also enclosed is a suggested form of certificate to evidence adoption of the resolution.

To permit the HCHFDC to sell the bonds on schedule, we respectfully request the board of directors' consideration of this matter at its first meeting on or after April 16. The caption of the resolution should suffice as a description of the agenda item for open meetings law purposes.

I would be pleased to answer any questions you, your board or your attorney may have about the requested action. I will contact your office in the near future to answer any questions you may have about this request, and I plan to attend your board of directors meeting when it is considered to address any questions that may come up then. Please feel free to call me if you have any questions that should be answered before I contact your office.

Thank you in advance for any assistance you can provide in scheduling action on our request and for facilitating the financing of this worthwhile project. I look forward to discussing this request with you, either by phone or at the board of directors meeting.

Very truly yours,


Fredric A. Weber

FAW/mgv
Enclosures
Via Messenger

Honorable John Sallee

March 28, 2001

Page 3

cc: Ms. Debbie Geegir (w/enclosures)

Mr. Greg Hudson (w/enclosures)

Mr. Carrol E. Aulbaugh (w/enclosures)
Memorial Hermann Healthcare System

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Memorial Hermann Southeast Hospital, a 256-bed acute care hospital	11800 Astoria Boulevard Houston, Harris County
Memorial Hermann Northwest Hospital, a 177-bed acute care hospital	Loop 610 and Ella Boulevard Houston, Harris County
Memorial Hermann Memorial City Hospital, a 520-bed acute care hospital	290 Frostwood Houston, Harris County
Memorial Hermann The Woodlands Hospital, a 92-bed acute care hospital	9520 Pinecroft Drive The Woodlands, Montgomery County
Memorial Hermann Katy Hospital, a 103-bed acute care hospital	5602 Medical Center Drive Katy, Fort Bend County
Memorial Hermann Fort Bend Hospital, an 80-bed acute care hospital	3803 F.M. 1092 Missouri City, Fort Bend County
Memorial Hermann Rehabilitation Hospital, a 129-bed rehabilitation hospital	3043 Gessner Houston, Harris County

Memorial Hermann Spring Shadows Glen,
a 176-bed mental health facility

2801 Gessner
Houston, Harris County

Proposed inpatient and/or outpatient
health care facilities

Highway 290 at F.M. 1960
Harris County

The facilities are or are to be owned, operated, or managed by Memorial Hermann Hospital System, a Texas non-profit corporation, or (in the case of Memorial Hermann Rehabilitation Hospital and Memorial Hermann Spring Shadows Glen) its affiliate, Memorial Hermann Continuing Care Corporation, a Texas non-profit corporation.

The Bonds would be limited recourse obligations of the Issuer payable solely from the repayment of the loan of proceeds of such obligations to Memorial Hermann Hospital System or its affiliates and would not constitute a debt or obligation of Harris County, any of the other jurisdictions listed above, or any other public body or be in any way payable from taxes or other public funds.

All interested persons are invited to attend the public hearing and will be given an opportunity to address the question of whether the Harris, Fort Bend, and Montgomery County Commissioners Courts and/or County Judges and/or the City Councils or Mayors of Missouri City and/or Katy, Texas, should approve the issuance of the Bonds and the use of proceeds for the purposes described above. Following the public hearing, a report concerning the hearing will be submitted to the approving governmental body or official, who may act on a request to approve the issuance of the Bonds and use of such proceeds for such purposes.

Questions, requests for additional information, or written comments may be directed in writing to the Issuer in care of Nathan Sommers Lippman Jacobs & Gorman, a Professional Corporation, 2800 Post Oak Boulevard, Suite 6100, Houston, Texas 77056, Attention: Ann C. Jacobs, Esq.

HARRIS COUNTY HEALTH FACILITIES
DEVELOPMENT CORPORATION

CERTIFICATE

THE STATE OF TEXAS
COUNTY OF HARRIS
MONTGOMERY COUNTY HOSPITAL DISTRICT

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We, the undersigned officers of the Board of Directors (the "Board") of the Montgomery County Hospital District (the "District"), hereby certify as follows:

1. The Board convened in regular session, open to the public, on April __, 2001, at 200 Riverpoint Drive, Conroe, Texas, and the roll was called of the Board, to-wit:

- John Sallee, Chair
- Starlett Curry, Vice Chair
- Nicol Huff, Secretary
- Dr. Greg Hall, Treasurer
- Jack Mitchell
- Marie Wilcoxson
- Monte West

All members of the Board were present, except the following: _____, thus constituting a quorum. Whereupon among other business, the following was transacted at such meeting: A written

RESOLUTION CONSENTING TO ACTION BY HARRIS COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION TO CAUSE IMPROVEMENTS TO AND ACQUISITION OF ADDITIONAL EQUIPMENT FOR MEMORIAL HERMANN THE WOODLANDS HOSPITAL


was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Resolution be adopted; and, after due discussion, such motion, carrying with it the adoption of such Resolution, prevailed and carried by the following votes:

AYES: _____ NOES: _____

2. A true, full, and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to this Certificate; such Resolution has been duly recorded in the Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the adoption of such Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such meeting, and that such Resolution would be introduced and considered for adoption at such meeting; and such meeting was open to the public, and public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this _____.


Secretary, Board of Directors


President, Board of Directors

(DISTRICT SEAL)

FINANCE
NON MCHD
ST. LUKE'S

RESOLUTION CONSENTING TO ACTION BY HARRIS COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION TO CAUSE RENOVATIONS OF, IMPROVEMENTS TO, AND ACQUISITION OF ADDITIONAL EQUIPMENT FOR ST. LUKE'S COMMUNITY MEDICAL CENTER - THE WOODLANDS

WHEREAS, the Harris County Health Facilities Development Corporation (the "HCHFDC") has been requested to issue its bonds, in one or more series, to finance renovations of, additions to, and the acquisition of capital equipment for St. Luke's Community Medical Center - The Woodlands (the "Health Facilities") and, through the loan of proceeds of such bonds, to cause St. Luke's Community Health Services to acquire and construct the Health Facilities, which are to be located within the jurisdiction of the Montgomery County Hospital District (the "District") in Montgomery County, Texas;

WHEREAS, under the Health Facilities Development Act, chapter 221, Texas Health and Safety Code, the HCHFDC may do so only with the consent of the Commissioners Court of Montgomery County and the District; and

WHEREAS, the District desires to facilitate the financing, acquisition, construction, and improvement of the Health Facilities in order better to provide for the health care needs of its residents;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT the District hereby consents to the issuance of such bonds and the use of proceeds thereof by the HCHFDC to cause St. Luke's Community Health Services to acquire and construct the Health Facilities, provided that the District shall in no way be obligated on such bonds or incur any other liability in connection therewith.

PASSED and APPROVED this 21st day of August, 2007.


Chairman, Board of Directors


Secretary, Board of Directors

002-FIN-NonMCHD-08/21/2007

8/21/07

THE STATE OF TEXAS
COUNTY OF MONTGOMERY

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§
§

KNOW ALL MEN BY THESE PRESENTS:

RESOLUTION AND ORDER

WHEREAS, Montgomery County Hospital District, Lone Star College System, Montgomery County Emergency Services District No. 7, Montgomery County, New Caney Independent School District, City of Roman Forest, Roman Forest Public Utility District No. 3 (“Taxing Authorities”) foreclosed on a property (“the property”) through a delinquent tax lawsuit and judgment identified as follows:

Reserve 25, Block 22, Section 4, Roman Forest, a subdivision out of the Pryor Bryan Survey, Abstract 76, Montgomery County, Texas, according to the Map or Plat thereof recorded in Cabinet A, Sheet 48, Plat Records, Montgomery County, Texas.

WHEREAS, the Taxing Authorities remain unpaid after exhausting all legal means to satisfy the collection of the delinquent taxes due and owing to the Taxing Authorities, including conducting a public auction of the properties by the Montgomery County Constable whereby the property were struck off to the Taxing Authorities and;

WHEREAS, there being no bids for the property at the tax sales on March 6, 2007 and November 4, 2014, Montgomery County, Trustee for itself and the other Taxing Authorities, now holds the property in trust to secure the payment of taxes, penalties, interest and costs owed to all Taxing Authorities participating in the foreclosure judgment;

WHEREAS, the property held in trust by Montgomery County, Trustee for itself and the other Taxing Authorities, is exempt from taxation and it is in the best interest of the Taxing Authorities to have the property returned to the active tax roll as a taxable property;

WHEREAS, Montgomery County has received a combined offer of \$49,834.70 from Southern Oaks Water System, Inc., to purchase the property, said amount comprised of \$45,000.00 for judgment years taxes and costs, and \$4,834.70 (if paid in February 2020) in post-judgment taxes due the Taxing Authorities.

NOW, THEREFORE, IT IS ORDERED by Montgomery County Hospital District

1. That all of the above paragraphs are true, correct and in the best interest of the Montgomery County Hospital District;

2. That Montgomery County Hospital District accepts the tax resale offer made by Southern Oaks Water System, Inc.

APPROVED, PASSED AND ORDERED this the 25th day of February, 2020.


GEORGETTE WHATLEY



CHAIRPERSON

ATTEST:

SANDY WAGNER



SECRETARY

Indigent Care

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

Non-Mandated

A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS ESTABLISHING RULES AND POLICIES REGARDING REIMBURSEMENT TO NON-MANDATED HEALTH CARE PROVIDERS FOR TREATMENT OF HEALTH CARE ASSISTANCE PROGRAM PATIENTS

WHEREAS, under the District's enabling legislation, Montgomery County Hospital District ("District") is obligated to provide health care to the needy inhabitants of Montgomery County; and

WHEREAS, the District's enabling legislation gives the Board of Directors complete discretion in the establishment and maintenance of an adequate health care system for the District's needy inhabitants; and

WHEREAS, the District has created and approved a Health Care Assistance Program, providing both emergency and non-emergency health care services for the District's needy inhabitants who qualify for such program; and

WHEREAS, the District has contracted with provider entities as its mandated health care provider to persons enrolled in the District's Health Care Assistance Program, both for emergency and non-emergency services; and

WHEREAS, the District's Board of Directors have promulgated certain rules and policies regarding the Health Care Assistance Program, such being intended to establish a process that will improve the overall quality of care to all needy inhabitants in Montgomery County requiring medical care and/or medical assistance; and

WHEREAS, the District occasionally receives requests for reimbursement from health care providers including hospitals and health care facilities for treatment of the District's Health Care Assistance Program patients for which the District has not designated as mandated health care providers for the provision of such services; and

WHEREAS, the Texas Indigent Health Care And Treatment Act (chapter 61, Texas Health & Safety Code) provides guidance regarding the District's obligations for reimbursement to non-mandated health care providers who have provided health care services to the District's Health Care Assistance patients; and

WHEREAS, in addition to the provisions of the Texas Indigent Health Care And Treatment Act, as applicable, the District's Board of Directors acting pursuant to the authority granted by the District's enabling act, seek to establish rules pertaining to the reimbursement of those non-mandated health care providers including hospitals and health care facilities who present claims for payment to the District for treatment of persons enrolled in the District's Health Care Assistance Program;

001-IND-08/17/2004

8/17/04

NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT THE FOLLOWING RULES AND POLICIES ARE HEREBY ADOPTED :

Policy Regarding Reimbursement Requests From Non-Mandated Providers For The Provision Of Emergency And Non-Emergency Services

Continuity of Care:

It is the intent of the District and its HCAP Office to assure continuity of care is received by the patients who are on the rolls of the program. For this purpose mandated provider relationships have been established and maintained for the best interest of the patients' health status. The client patients have the network of mandated providers explained to them and sign a document to this understanding at the time of eligibility processing in the HCAP Office. Additionally, they demonstrate understanding in a like fashion that failure to use mandated providers, unless otherwise authorized, will result in them bearing independent financial responsibility for their actions.

Prior Approval:

A non-mandated health care provider must obtain approval from the Hospital District's Health Care Assistance Program (HCAP) Office before providing health care services to an active HCAP patient. Failure to obtain prior approval or failure to comply with the notification requirements below will result in rejection of financial reimbursement for services provided.

Mandatory Notification Requirements:

- The non-mandated provider shall attempt to determine if the patient resides within District's service area when the patient first receives services if not beforehand as the patients condition may dictate.
- The provider, the patient, and the patient's family shall cooperate with the District in determining if the patient is an active client on the HCAP rolls of the District for HCAP services.
- Each individual provider is independently responsible for their own notification on each case as it presents.
- If a non-mandated provider delivers emergency or non-emergency services to a HCAP patient who the provider suspects might be an active client on the HCAP rolls with the District, the provider shall notify the District's HCAP Office that services have been or will be provided to the patient.
- The notice shall be made:
 - (1) by telephone not later than the 72nd hour after the provider determines that the patient resides in the District's service area and is suspect of being an active client on the District's HCAP rolls; and
 - (2) by mail postmarked not later than the fifth working day after the date on which the provider determines that the patient resides in the District's service area.

Authorization:

The District's HCAP Office may authorize health care services to be provided by a non-mandated provider to a HCAP patient only:

- in an emergency (as defined below and interpreted by the District);
- when it is medically inappropriate for the District's mandated provider to provide such services; or
- when adequate medical care is not available through the mandated provider.

Emergency Defined:

An "emergency medical condition" is defined as a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:

- Placing the patients health in serious jeopardy,
- Serious impairment of bodily functions, or
- Serious dysfunction of any bodily organ or part.

Emergency Medical Services:

MCHD as a provider of EMS for Montgomery County is independently responsible in determining the most appropriate destination by its own policies and procedures for all transported patients, including HCAP client patients. HCAP client patients are to (as conditions allow) notify EMS about their mandated provider as a preferred destination.

Reimbursement:

In such event, the District shall provide written authorization to the non-mandated provider to provide such health care services as are medically appropriate, and thereafter the District shall assume responsibility for reimbursement for the services rendered by the non-mandated provider at the reimbursement rates approved for the District's mandated provider, generally but not limited to, being those reimbursement rates approved by the Texas Department of Health pursuant to the County Indigent Health Care And Treatment Act. Acceptance of reimbursement by the non-mandated provider will indicate payment in full for services rendered.

If a non-mandated provider delivers emergency or non-emergency services to a patient who is on the HCAP rolls of the District and fails to comply with this policy, including the mandatory notice requirements, the non-mandated provider is not eligible for reimbursement for the services from the District.

Return to Mandated Provider:

Unless authorized by the District's HCAP Office to provide health care services, a non-mandated provider, upon learning that the District has selected a mandated provider, shall see that the patient is transferred to the District's selected mandated provider of health care services.

Appeal:

If a health care provider disagrees with a decision of the HCAP Office regarding reimbursement and/or payment of a claim for treatment of a person on the rolls of the District's HCAP, the provider will have to appeal the decision to the District's Board of Directors and present its position and evidence regarding coverage under this policy. The District will conduct a hearing on such appeal in a reasonable and orderly fashion. The health care provider and a representative of the HCAP Office will have the opportunity to present evidence, including their own testimony and the testimony of witnesses. After listening to the parties' positions and reviewing the evidence, the District's Board of Directors will determine an appropriate action and issue a written finding.

BE IT SO RESOLVED.

Passed and Approved this _____ day of _____, 2004.

MONTGOMERY COUNTY HOSPITAL
DISTRICT BOARD OF DIRECTORS

By: _____
Francis Bourgeois, Chair

By: _____
Bill Leigh

By: _____
Matthew Thomas

By: _____
Sandy Wagner

By: _____
Georgette Lucado

By: _____
David Witt

By: _____
Eric Yollick

Montgomery County Hospital District
Healthcare Assistance Program

[Today's Date}

Mr. _____
[title]
[hospital]
[address]

RE: Claim for Reimbursement in connection with [patient name]

Dear Mr. _____:

This letter is in response to your letter of [date] in which [name of hospital] requests payment for the treatment of [patient name] for healthcare services provided on or about [date]. You contend that since the patient is enrolled in Montgomery County Hospital District's Healthcare Assistance Program, (an indigent care program offered by the District pursuant to the District's enabling act and chapter 61 of the Texas Health & Safety Code), that [name of hospital] is entitled to reimbursement for care and treatment of this individual.

Montgomery County Hospital District ("MCHD") must respectfully decline your request for reimbursement. MCHD has a contractual arrangement with Conroe Regional Medical Center as its mandated provider for the treatment of its Healthcare assistance patients. Persons enrolled in MCHD's Healthcare Assistance Program are directed to obtain healthcare services from the District's mandated provider, Conroe Regional Medical Center.

In the current instance, since the services provided by [name of hospital] to the patient are within the scope of services provided by MCHD's mandated provider, Conroe Regional Medical Center, the patient should have presented to that facility for such services. For this reason, MCHD respectfully declines [name of hospital]'s request for reimbursement for such services provided.

Sincerely,

Kelly Curry
Healthcare Assistance Program
Director

cc: file

001-IND-08/17/2004

**RESOLUTION OF BOARD OF MONTGOMERY COUNTY HOSPITAL DISTRICT
CONCERNING HEALTH CARE INSURANCE GAP
AND FEDERALLY QUALIFIED HEALTH CENTER (FQHC) FUNDING**

AT A MEETING OF THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DIRECTORS, IN MONTGOMERY COUNTY, TEXAS, HELD AT MONTGOMERY COUNTY HOSPITAL DISTRICT BUILDING ON JAN. 27, 2015,

Texas Coverage Gap:

WHEREAS, the MONTGOMERY COUNTY HOSPITAL BOARD OF DIRECTORS acknowledges that Federally Qualified Health Center (FQHC) patients face a unique set of challenges to improve their health status and to obtain health insurance coverage; and

WHEREAS, these challenges contribute to FQHC patients' inability to fully contribute to the local economy; and

WHEREAS, to reach their physical, educational, and economic potential FQHC patients must have access to a full array of health services afforded by health insurance coverage and access to care beyond the care provided by health centers; and

WHEREAS, health insurance coverage is essential for Montgomery County residents to improve their health status and to reach their full potential; and

WHEREAS, approximately 75% of Texas FQHC patients are at or below 100% of the Federal Poverty Level (FPL) and approximately one million Texas adults with annual incomes of \$11,490 or less do not have access to affordable health insurance and the benefits it provides; and

Montgomery County Statistics:

WHEREAS, more than 33,000 of Montgomery County residents currently receive primary and preventative healthcare from community health centers;

WHEREAS, Montgomery County has an unemployment rate of 5% yet an uninsured rate of 27% indicating a large percentage of those in need of primary health services are among the working poor;

WHEREAS, more than 42,000 of Montgomery County residents are at or below 100% of the Federal Poverty Level (FPL)

Funding Cliff:

WHEREAS, the federal Community Health Center Trust Fund (CHCF), intended to increase health center sites and services, expires in 2016.

WHEREAS, significant funding cuts were made to the federal health center base grant in 2011 and 2013.

WHEREAS, health centers face an upcoming funding cliff in 2016 with a total loss of up to 70% of federal health center funds due to significant federal funding cuts made to health center funding in 2011 and 2013.

WHEREAS, this funding instability will have a significant impact on health center's ability to serve patients and their communities.

NOW, THEREFORE, BE IT RESOLVED, that the MCHD Board of Directors supports to strengthen and expand the health coverage and access to care for patients in Montgomery County, Texas.

003-IND-01/27/2014

3 Passed and Approved this 27th day of January, 2015, by a vote of 4 in favor and against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL
DISTRICT BOARD OF DIRECTORS**

By: Harold E. Posey
Harold Posey, Chairman

Attest:

Sandy Wagner
Sandy Wagner, Board Secretary

Montgomery County Hospital District Board of Directors Montgomery County, TX

Judgment Case

Chapter 61

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS ESTABLISHING RULES, REGULATIONS AND PROCEDURES CONCERNING HEALTH CARE PLANS OFFERED BY THE DISTRICT, INCLUDING THE HEALTH CARE PLAN PROMULGATED UNDER CHAPTER 61 OF THE TEXAS HEALTH & SAFETY CODE

WHEREAS, the enabling legislation for the Montgomery County Hospital District provides that the Board of Directors shall manage, control and administer the health care and resources of the District; and

WHEREAS, the enabling legislation for the Montgomery County Hospital District further provides that the Board of Directors is charged with the responsibility for the provision of health care services as permitted by the Texas Constitution and Chapter 61, Health and Safety Code, and its subsequent amendments, on terms and conditions as the board of directors determines to be in the best interests of the district; and

WHEREAS, the Board of Directors has previously adopted a single set of criteria and guidelines for eligibility and participation in the health care services provided by the District; and

WHEREAS, the Board of Directors believes it is in the best interest of the District and its residents to adopt new criteria for eligibility and participation in the health care services provided by the District, with segregated and separate eligibility and benefit criteria for such Plan participants, with eligibility for a particular Plan dependent upon a participant's income and resources; and

WHEREAS, the Board of Directors believes that by providing separate eligibility criteria for participants seeking health care services provided by the District, such eligibility dependent upon income and resources of the participant, it may better allocate the funds expended by the District for such services and extend health care services to a wider pool of participants, thereby improving the overall quality of health care services to eligible residents in Montgomery County; and

WHEREAS, the Board of Directors at its February 2007 and March 2007 has adopted certain changes to its eligibility and benefit rules in connection with these efforts to better allocate available District funds to a wide pool of participants, to protect the interests of the District's taxpayers, and to recognize the fact the District's role as the "payor of last resort"; and

WHEREAS, by this Resolution the Board of Directors seeks to ratify, amend and adopt those health care eligibility and benefit plan policies and rules to govern the operations of the District's health care program;

NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY

002-IND-04/07/2007

4/17/07

HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:

1. **Approval of Recitals as Findings Of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Adoption of New Health Care Plan Policies.** The Health Care Plan policies appended hereto as Exhibits "A" and "B" as amended from those adopted by the Board of Directors at its February and March 2007 meetings, are hereby RATIFIED, APPROVED AND ADOPTED and are incorporated herein for all respects. Such Policies shall constitute the health care policies and rules governing the eligibility and benefits for health care services provided by the District from this day forward, subject to future amendment by the Board of Directors. These policies and rules are to be construed and interpreted independently from one another, are adopted pursuant to sections 5, 11, and 20 of the District's enabling legislation, and are generally described as follows:

Plan 1: Montgomery County Indigent Care Plan - The Montgomery County Indigent Care Plan will emulate and adhere to the eligibility criteria and benefits for indigent healthcare as set forth in Chapter 61 of the Texas Health & Safety Code. The federal poverty income limit (FPIL) will be 0-21%, or at such level as is established for County indigent care programs under Chapter 61 of the Texas Health & Safety Code. Undocumented immigrants would remain ineligible; however, employer-sponsored insurance availability and five-year residency for temporary and/or "qualified" U.S. residents for would not affect one's eligibly for this Plan's coverage.

Plan 2: Montgomery County Medical Assistance Plan - The Montgomery County Medical Assistance Plan will have the same eligibility criteria as the Montgomery County Indigent Care Plan, except the Plan will cover those whose incomes and resources fall above Chapter 61 guidelines for County indigent care programs up to 150% of FPIL. This Plan will continue in force the prior eligibility exclusions for undocumented immigrants, persons with employer-sponsored insurance, and the five-year residency requirement for temporary and/or "qualified" U.S. residents. This Plan affords benefits to persons to which coverage is not mandated under Chapter 61 of the Health & Safety Code.
3. **Grandfathering of Current HCAP Enrollees.** All current Plan participants shall be entitled to the same services guaranteed under the Plan policies and rules that were in effect as of the time of their enrollment. However, the policies and rules appended hereto and approved by this Resolution shall apply prospectively to such participants at such time as they reapply for eligibility.
4. **Provision of Notice As Required By Law.** The Board of Directors authorizes the staff of the District to provide notice to the public of the attached policies and rules as may be required by law.
5. **Open Meetings Act.** The Board of Directors further finds that the meeting at which this Resolution was voted upon and approved was timely noticed and held in strict compliance

with the Texas Open Meetings Act, ch. 551, Tex. Gov't. Code.

BE IT SO RESOLVED.

Passed and Approved this 17 day of April, 2007, by a vote of 5
in favor and 1 against, 1 abstaining, 1 not present.

**MONTGOMERY COUNTY HOSPITAL
DISTRICT BOARD OF DIRECTORS**

By: 
David Witt, Chairman

Attest:


Francis Bourgeois, Board Secretary

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S
BOARD OF DIRECTORS ESTABLISHING A PERFORMANCE IMPROVEMENT
COMMITTEE IN CONNECTION WITH THE PROVISION OF INDIGENT HEALTH
CARE SERVICES**

WHEREAS, the Montgomery County Hospital District ("MCHD") provides indigent health care services to the citizens of Montgomery County, Texas through its Health Care Assistance Program ("HCAP"); and

WHEREAS, the level of complexity of the care indigent care provided by the HCAP medial providers continues to increase due to advances in science, medicine and medical practices. Such complexity necessitates careful attention by MCHD to the quality of services provided through its network of health care providers, including case reviews, with quality improvements implemented where such are anticipated to improve excellence in the delivery of HCAP services; and

WHEREAS, pursuant to subchapter D of chapter 161 of the Texas Health & Safety Code, MCHD's governing body is statutorily authorized to form a committee to evaluate medical and health care services. The records and proceeds of such committee are made confidential pursuant to section 161.032 of the Texas Health & Safety Code. In addition, certain provisions in subchapter A of chapter 160 of the of the Occupations Code make the proceedings and records of a medical peer review committee confidential as a matter of law; and

WHEREAS, pursuant to the above-referenced statutes the Board of Directs finds it prudent to establish a performance improvement committee ("Performance Improvement Committee") within its HCAP Department to review, evaluate and improve the quality of health care services provided by its contracted providers to persons enrolled into MCHD's indigent care programs, including both the HCAP and the MAP (medical assistance program); and

WHEREAS, in order for the deliberations of the Performance Improvement Committee to be robust and not chilled by the prospect of litigation, the District's Board of Directors intends that the Performance Improvement Committee created by this Resolution be entitled to the confidentiality protections afforded by both subchapter D of chapter 161 of the Texas Health & Safety Code and also subchapter A of chapter 160 of the Occupations Code in instances where such review is undertaken by a medical peer review committee as defined in that subchapter.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

1. Approval of Recitals as Findings of Fact. The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. Creation of MCHD HCAP Performance Improvement Committee. The Board of Directors hereby establishes a Performance Improvement Committee within the District's HCAP Department for the purpose of reviewing, evaluating and improving the quality of health care services provided by its contracted providers to persons enrolled into MCHD's indigent care program, including both the HCAP and the MAP (medical assistance program) .
3. Structure of MCHD HCAP Performance Improvement Committee. The Board of Directors approves the structure of the Performance Improvement Committee as is set forth in the attachment appended to this Resolution, which is incorporated herein by reference. Such structure may be amended from time to time by MCHD's Chief Executive Officer as he or she deems prudent without the need for official action of the Board of Directors.

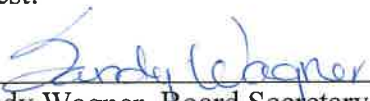
BE IT SO RESOLVED.

Passed and Approved this 10th day of DECEMBER, 2019, by a vote of 7 in favor and 0 against, 0 abstaining.

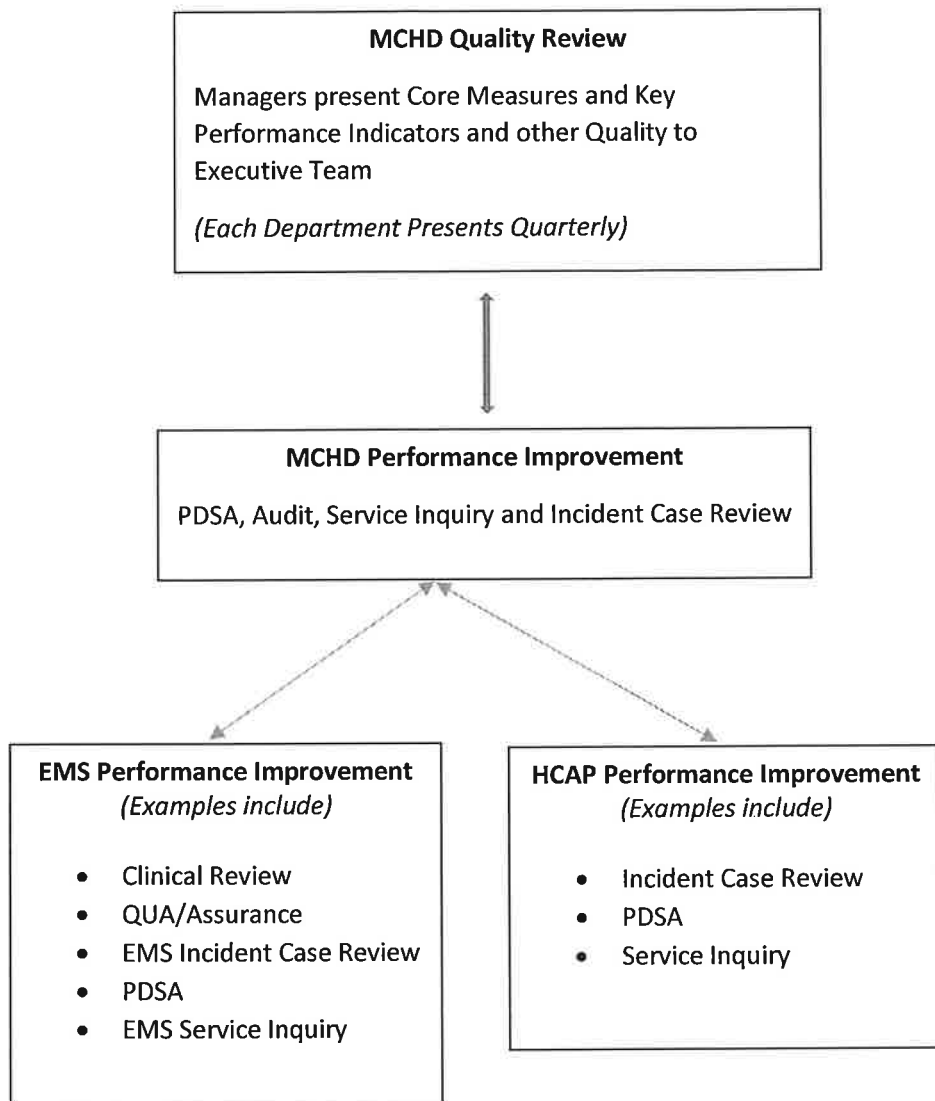
**MONTGOMERY COUNTY HOSPITAL
DISTRICT**

By: 
Mark Cole, Chairman

Attest:


Sandy Wagner, Board Secretary

Montgomery County Hospital District



STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S
BOARD OF DIRECTORS IN SUPPORT OF H.B. 582 PENDING BEFORE THE TEXAS
LEGISLATURE**

WHEREAS, the Montgomery County Hospital District provides Emergency Medical Services to the citizens of Montgomery County, Texas; and

WHEREAS, the Paramedics that serve the citizens Montgomery County, Texas provide quality emergency care that dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

WHEREAS, the level of complexity of the care provided continues to increase and demands increased education requirements; and

WHEREAS, the Texas Fire Science Tuition Exemption Program has been successful in allowing fire services across the State to meet the educational demands that the Emergency Services are facing; and

WHEREAS, House Bill 582 would add Paramedics to a Tuition Exemption Program; and

WHEREAS, the Legislative Budget Board has stated that there is no significant fiscal implication to the State or Local Governments anticipated by passage of these bills.

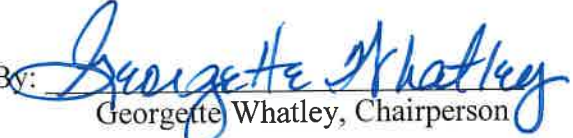
NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

1. Approval of Recitals as Findings of Fact. The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. Approval and Support of H.B. 582. The Board of Directors hereby supports the passage of House Bill 582 by the members of the Texas Legislature; and
3. Notification of Resolution to Legislative Delegation. The Board of Directors further directs that a copy of this Resolution be forwarded to each member of the Texas Legislature who represents Montgomery County, Texas.

BE IT SO RESOLVED.

Passed and Approved this 23rd day of March, 2021, by a vote of 5 in favor and 0 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL
DISTRICT**

By: 
Georgette Whatley, Chairperson

Attest:


Sandy Wagner, Board Secretary

STATE OF TEXAS

§
§
§

COUNTY OF MONTGOMERY

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S
BOARD OF DIRECTORS IN SUPPORT OF H.B. 3644 PENDING BEFORE THE TEXAS
LEGISLATURE**

WHEREAS, the Montgomery County Hospital District provides Emergency Medical Services to the citizens of Montgomery County, Texas; and

WHEREAS, the Montgomery County Hospital District recognizes the service and sacrifice of EMS professionals across the State of Texas; and

WHEREAS, House Bill 3644 would direct the State Cemetery Committee to erect an appropriate memorial monument in the State Cemetery dedicated to emergency medical services personnel.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT THAT:

1. Approval of Recitals as Findings of Fact. The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. Approval and Support of H.B. 3644. The Board of Directors hereby supports the passage of House Bill 3644 by the members of the Texas Legislature; and
3. Notification of Resolution to Legislative Delegation. The Board of Directors further directs that a copy of this Resolution be forwarded to each member of the Texas Legislature who represents Montgomery County, Texas.

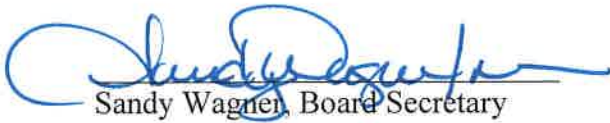
BE IT SO RESOLVED.

Passed and Approved this 23rd day of March, 2021, by a vote of 5 in favor and 0 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL
DISTRICT**

By: 
Georgette Whatley, Chairperson

Attest:


Sandy Wagner, Board Secretary

LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

FORM CIS

(Instructions for completing and filing this form are provided on the next page.)

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This is the notice to the appropriate local governmental entity that the following local government officer has become aware of facts that require the officer to file this statement in accordance with Chapter 176, Local Government Code.

OFFICE USE ONLY

Date Received

1 Name of Local Government Officer

2 Office Held

3 Name of vendor described by Sections 176.001(7) and 176.003(a), Local Government Code

4 Description of the nature and extent of each employment or other business relationship and each family relationship with vendor named in item 3.

5 List gifts accepted by the local government officer and any family member, if aggregate value of the gifts accepted from vendor named in item 3 exceeds \$100 during the 12-month period described by Section 176.003(a)(2)(B).

Date Gift Accepted _____ Description of Gift _____

Date Gift Accepted _____ Description of Gift _____

Date Gift Accepted _____ Description of Gift _____

(attach additional forms as necessary)

6 SIGNATURE

I swear under penalty of perjury that the above statement is true and correct. I acknowledge that the disclosure applies to each family member (as defined by Section 176.001(2), Local Government Code) of this local government officer. I also acknowledge that this statement covers the 12-month period described by Section 176.003(a)(2)(B), Local Government Code.

Signature of Local Government Officer

Please complete either option below:

(1) Affidavit

NOTARY STAMP / SEAL

Sworn to and subscribed before me by _____ this the _____ day of _____,
20 _____, to certify which, witness my hand and seal of office.

Signature of officer administering oath

Printed name of officer administering oath

Title of officer administering oath

OR

(2) Unsworn Declaration

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

Executed in _____ County, State of _____, on the _____ day of _____, 20_____.
(month) (year)

Signature of Local Government Officer (Declarant)

LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

Section 176.003 of the Local Government Code requires certain local government officers to file this form. A "local government officer" is defined as a member of the governing body of a local governmental entity; a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. This form is required to be filed with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of this statement.

A local government officer commits an offense if the officer knowingly violates Section 176.003, Local Government Code. An offense under this section is a misdemeanor.

Refer to chapter 176 of the Local Government Code for detailed information regarding the requirement to file this form.

INSTRUCTIONS FOR COMPLETING THIS FORM

The following numbers correspond to the numbered boxes on the other side.

- 1. Name of Local Government Officer.** Enter the name of the local government officer filing this statement.
- 2. Office Held.** Enter the name of the office held by the local government officer filing this statement.
- 3. Name of vendor described by Sections 176.001(7) and 176.003(a), Local Government Code.** Enter the name of the vendor described by Section 176.001(7), Local Government Code, if the vendor: a) has an employment or other business relationship with the local government officer or a family member of the officer as described by Section 176.003(a)(2)(A), Local Government Code; b) has given to the local government officer or a family member of the officer one or more gifts as described by Section 176.003(a)(2)(B), Local Government Code; or c) has a family relationship with the local government officer as defined by Section 176.001(2-a), Local Government Code.
- 4. Description of the nature and extent of each employment or other business relationship and each family relationship with vendor named in item 3.** Describe the nature and extent of the employment or other business relationship the vendor has with the local government officer or a family member of the officer as described by Section 176.003(a)(2)(A), Local Government Code, and each family relationship the vendor has with the local government officer as defined by Section 176.001(2-a), Local Government Code.
- 5. List gifts accepted, if the aggregate value of the gifts accepted from vendor named in item 3 exceeds \$100.** List gifts accepted during the 12-month period (described by Section 176.003(a)(2)(B), Local Government Code) by the local government officer or family member of the officer from the vendor named in item 3 that in the aggregate exceed \$100 in value.
- 6. Signature.** Signature of local government officer. Complete this section after you finish the rest of this report. You have the option to either: (1) take the completed form to a notary public where you will sign above the first line that says "Signature of Local Government Officer" (an electronic signature is not acceptable) and your signature will be notarized, or (2) sign above both lines that say "Signature of Local Government Officer (Declarant)" (an electronic signature is not acceptable), and fill out the unsworn declaration section.

Local Government Code § 176.001(2-a): "Family relationship" means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter B, Chapter 573, Government Code.

Local Government Code § 176.003(a)(2)(A):

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

CODE OF FAIR CAMPAIGN PRACTICES

FORM CFCP COVER SHEET

Pursuant to chapter 258 of the Election Code, every candidate and political committee is encouraged to subscribe to the Code of Fair Campaign Practices. The Code may be filed with the proper filing authority upon submission of a campaign treasurer appointment form. Candidates or political committees that already have a current campaign treasurer appointment on file as of September 1, 1997, may subscribe to the code at any time.

Subscription to the Code of Fair Campaign Practices is voluntary.

OFFICE USE ONLY

Date Received

Date Hand-delivered or Postmarked

Date Processed

Date Imaged

1 ACCOUNT NUMBER
(Ethics Commission Filers)

2 TYPE OF FILER

CANDIDATE

POLITICAL COMMITTEE

If filing as a candidate, complete boxes 3 - 6, then read and sign page 2.

If filing for a political committee, complete boxes 7 and 8, then read and sign page 2.

3 NAME OF CANDIDATE
(PLEASE TYPE OR PRINT)

TITLE (Dr., Mr., Ms., etc.)

FIRST

MI

NICKNAME

LAST

SUFFIX (SR., JR., III, etc.)

4 TELEPHONE NUMBER OF CANDIDATE
(PLEASE TYPE OR PRINT)

AREA CODE

PHONE NUMBER

EXTENSION

()

5 ADDRESS OF CANDIDATE
(PLEASE TYPE OR PRINT)

STREET / PO BOX;

APT / SUITE #;

CITY;

STATE;

ZIP CODE

6 OFFICE SOUGHT BY CANDIDATE
(PLEASE TYPE OR PRINT)

7 NAME OF COMMITTEE
(PLEASE TYPE OR PRINT)

8 NAME OF CAMPAIGN TREASURER
(PLEASE TYPE OR PRINT)

TITLE (Dr., Mr., Ms., etc.)

FIRST

MI

NICKNAME

LAST

SUFFIX (SR., JR., III, etc.)

GO TO PAGE 2

CODE OF FAIR CAMPAIGN PRACTICES

There are basic principles of decency, honesty, and fair play that every candidate and political committee in this state has a moral obligation to observe and uphold, in order that, after vigorously contested but fairly conducted campaigns, our citizens may exercise their constitutional rights to a free and untrammelled choice and the will of the people may be fully and clearly expressed on the issues.

THEREFORE:

- (1) I will conduct the campaign openly and publicly and limit attacks on my opponent to legitimate challenges to my opponent's record and stated positions on issues.
- (2) I will not use or permit the use of character defamation, whispering campaigns, libel, slander, or scurrilous attacks on any candidate or the candidate's personal or family life.
- (3) I will not use or permit any appeal to negative prejudice based on race, sex, religion, or national origin.
- (4) I will not use campaign material of any sort that misrepresents, distorts, or otherwise falsifies the facts, nor will I use malicious or unfounded accusations that aim at creating or exploiting doubts, without justification, as to the personal integrity or patriotism of my opponent.
- (5) I will not undertake or condone any dishonest or unethical practice that tends to corrupt or undermine our system of free elections or that hampers or prevents the full and free expression of the will of the voters, including any activity aimed at intimidating voters or discouraging them from voting.
- (6) I will defend and uphold the right of every qualified voter to full and equal participation in the electoral process, and will not engage in any activity aimed at intimidating voters or discouraging them from voting.
- (7) I will immediately and publicly repudiate methods and tactics that may come from others that I have pledged not to use or condone. I shall take firm action against any subordinate who violates any provision of this code or the laws governing elections.

I, the undersigned, candidate for election to public office in the State of Texas or campaign treasurer of a political committee, hereby voluntarily endorse, subscribe to, and solemnly pledge myself to conduct the campaign in accordance with the above principles and practices.

Signature

Date